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AND China Overland Trade Report.

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DEATH.

At 64, Queen's Road Central, on the 5th instant, WILLIAM ROSS, aged 44. [1403]

ARRIVAL OF MAIL.

The French mail of the 7th June arrived, per M. M. steamer *Caledonien*, on the 9th July (32 days).

EPITOME OF THE WEEK.

Some of the Szechuen refugees have arrived at Shanghai and give a harrowing account of their experiences.

Li Han-chang, ex. Viceroy of the Liangkwan, who has been stopping at Shanghai for the last three weeks, left for his home in Anhui on the 30th June.

From Japan papers we learn that heavy rains have greatly swollen the rivers, bridges have been carried away, and houses along the banks have been flooded.

Dr. Kitasato, the bacteriologist, received a communication a few days ago, says the *Kobe Chronicle* from the Sanitary (Hygienic) Society of London that he had been elected an honorary member of the Society.

A Chinese loan of £1,000,000 bearing interest at 6 per cent. per annum was been issued in London at 106 through the agency of the Chartered Bank of India, Australia, and China. This loan does not affect the Russian-Chinese loan.

According to a Madrid telegram to the *Comercio*, the budget for the Philippines includes a vote of \$100,000 for account of the establishment of an arsenal at Subic; also a vote of \$500,000 for the construction of a dock at Subic.

H.M.S. *Rainbow*, *Plover*, and *Redbreast* are returning to Anping, but we believe it is not intended to land any force again as a shore guard. The residents will, however, no doubt be much gratified to have the gunboats in sight once more.

It is reported, says the *Kobe Chronicle*, that a new department will shortly be established, to be known as the Department for Colonial Affairs. It will superintend the military, commercial, and general affairs of Formosa, the Pescadores, Loohoo islands, and the Hokkaido.

The attention of the *Straits Times* has been called to the fact that the native community at Singapore are regarding the new British dollars with a good deal of suspicion. The Asiatic money changers refuse to change them at less than 3 or 4 per cent. discount.

During the plague epidemic Macao has been even more deserted than was Hongkong last year, but the fugitives are now returning, and the steamers both from Hongkong and Canton are carrying large numbers of passengers. The colony is now officially declared free of the disease.

From the *Chung Ngai San Po* we learn that the Tartar General of Canton, who went to Peking to celebrate the birthday of the Empress Dowager last year and returned to Canton last March, died on the 6th inst. at the age of seventy. It is said that he was ordered to go back to Peking by the Emperor last month to take another post.

A Havas telegram received at Saigon states that the finances of French Indo-China are in future to be under the control of the Minister of Finance instead of the Colonial Minister. M. Picannon, Inspector of the Colonies, has been appointed Financial Controller for Indo-China. It is proposed to make a grant of five million francs for Annam and Tonkin repayable before April.

It is said the Japanese Government does not consider itself at liberty to publish the papers connected with the Shimonoseki Treaty negotiations and with the return of the Liaotung peninsula until they have been laid before Parliament. Hence the delay, about which some are complaining, until the next session is convened. Meantime the Foreign Minister is preparing a voluminous report.

Various reports have been in circulation as to the Russian-Chinese loan. It was said that the whole matter was "off" and that Germany was to get the business for the Deutsch-Asiatische Bank, and subsequently that the Hongkong and Shanghai Bank and the Deutsch-Asiatische Bank were to issue loans of £3,000,000 each. The latest report, however, is that the negotiations with Russia have resulted successfully.

The new Treaty of Commerce signed by the Plenipotentiaries of Japan and Russia on the 8th June is said to have been ratified by the Czar of Russia on the 18th. Although it is stipulated in the Treaty that the ratifications shall be exchanged in Tokyo within six months from the date of signing, as both Governments desire the early settlement of the Treaty it is probable, the *Nichi Nichi* says, the exchange will take place at no distant date.

The Judicial Committee of the Privy Council has given judgment in favour of Japan with all costs against the Peninsular and Oriental S. N. Co. in the *Chishima* case. The point at issue was whether the P. & O. Company were entitled to bring a cross action against the Emperor of Japan, and this raised the question whether the Inland Sea was Japanese territorial water. The Japanese Government's action for damages still remains to be tried.

A Convention between France and China has been signed providing for the delimitation of the boundaries of Tonkin and China. This puts France in immediate contact with China from Laichon to the Mekong Valley, passing by the Namon Valley. The Convention also makes provision for commerce between China and the French colonies, and for railway and telegraph lines to cross the border, and virtually supersedes the projected buffer state in the north of Siam.

One of the beneficial effects of the Japanese taking possession of Formosa will be an improvement in our storm warnings. Dr. Dobrook has frequently complained of the inadequacy of the meteorological information received from Formosa, but this will now be altered. According to a vernacular contemporary the authorities have under consideration a scheme to establish a number of observatories in Formosa, namely, at Kelung, Tamsui, Takow, and Panzhu Island, the most important being at the Pescadores.

The *Chwa Shimbun* states that Count Ito spoke in this strain to a recent visitor:—"I am alone responsible for the return of the Liaotung peninsula. The circumstances connected with the return are diplomatic secrets, and I am, therefore, precluded from revealing them. I feel on this subject as keenly as anybody else. I was quite aware of the excitement that would be caused by the affair. But just imagine the consequences that would have followed, had I been prevented by considerations of personal safety and convenience from taking the course dictated to me by my judgment. I need not describe those probable consequences, nor do I desire to make known the anxieties that filled my mind at the time. I leave these things to the discernment of posterity."

The *N. C. Daily News* of the 1st inst. says:—"On our front page will be found the prospectus of the first cotton mill in China started by foreigners and under foreign control; for though the promoters have thought it well to put two Chinese on the provisional committee, the control of the mill will be entirely in foreign hands. It is appropriate that Messrs. Jardine, Matheson & Co., who have fought the machinery question so long, should be first in the field with a foreign mill. The eager demand for shares in this enterprise is shown by the fact that only 200 shares out of the 750 to be first issued remained to be allotted on the 1st instant, and we cannot doubt that in the able hands of such a leading firm in China, the Swo Cotton Spinning and Weaving Co., Limited, will be a conspicuous success."

According to an official report of the Board of War, there were manufactured up to the 4th moon (May) in the Liangkwan, Liangkuan, Hukuang, Mia Chè, Chihli, Shantung, and Hunan provinces no less than 112,874 *taits'ang*, or the ridiculous "two men breech-loading jingals" invented at Nanking during the recent war, or an average of a little over 10,000 pieces for each of these provinces. Owing to the reputed superior carrying power of *taits'ang* over the modern weapons bought from Europe, the Board of War has ordered the provinces above named to manufacture another 20,000 for distribution throughout the twenty provinces of the Empire. These weapons are a little over nine feet in length and have a bore a little less than an inch in diameter. It is intended to use cordite for the cartridges as soon as a sufficient quantity can be made in the various arsenals.

THE POSITION IN SOUTH FORMOSA.

(4th July.)

The occupation of the island of Formosa by its new owners does not proceed as rapidly as was first expected. It has been suggested by a contemporary that the Japanese have underestimated the difficulties in the way of imposing their administration over the whole of the island, and that they ought to have landed forces simultaneously in the north and the south. So far, it is true, they have only thoroughly occupied Kelung, Tamsui, and Taipeh-fu, with the country adjoining. They have also pushed a force into the interior and occupied Tokoham, but they can hardly be said to have subjugated the whole of the north, though we believe this will prove a mere question of time and present no great difficulty. But it certainly would seem that the delay in landing a large force in the more populous south is likely to turn out a rather serious mistake. Why this delay has taken place we are unable to say. The Japanese have not hitherto fallen into that very common error of undervaluing the foe, but they have been careful always to provide an adequate force and feel their way before coming to any engagement. They have had before them, as an object lesson, the history of French mistakes in attempting to occupy the Beautiful Island, and should have been able to profit by that record. And no doubt it is too early in the day to assert that they have not profited by French experiences in 1884-1885. They cannot but be aware, not only of the jungle and mountainous character of the interior, but also of the presence of the Hakkas or Hillmen, a fighting race, who are adepts at guerilla warfare; of the savages, who may possibly be bribed to take the war-path against the new rulers; and of the malaria that lurks in the dense forests and the swampy plains under the hot summer sun. The Japanese War Department, which has shown so much foresight in providing for the health and security of the troops, so much care in not wasting lives, has, we may be sure, reckoned upon all these difficulties. The very foresight and judgment hitherto displayed, however, only make us wonder the more why steps were not taken earlier to paralyse resistance and crush out any lingering hope that may be entertained among the Chinese Formosans that Japanese rule can be averted.

There must be some good reason, however, for the apparent tardiness in the Japanese occupation of South Formosa. Possibly they intend to push their way overland from the north, conquering as they go, and establishing their administration in one district after another, leaving only order behind them. That may be an intelligible course, but it is not what was expected. It was believed that a second expedition, following quickly on the first, that so quickly captured Kelung and Tamsui, would be landed at Anping or some port in the south, occupy the important city of Taiwan-fu, and drive out the Black Flags, who have established themselves there, to the great discomfort of the peaceable population and the imminent danger of the foreign residents. The Black Flag chief Liu Yung-fu is gaining time, but unless he is receiving support from China it is a doubtful boon to him. He is thoroughly disgusting the Chinese and preparing for a joyful acceptance of Japanese rule as an alternative to anarchy, violence, and rapine. As a matter of policy, perhaps, the delay

in the arrival of the Japanese is therefore working for them a welcome, as they will appear presently in the light of saviours of society, deliverers from disorder. This is what happened in Manchuria when the Chinese "braves" had like locusts overrun the country and devoured the substance of the people. The Japanese came with money in their pockets to pay for what they require, and the power to protect all non-combatants from plunder or injustice. The same thing will occur in Formosa, and the people will learn to at least regard their conquerors as preferable to Black Flag brigands or undisciplined Cantonese or Fukienese "braves." The Japanese troops may nevertheless possibly meet with some trouble in subduing the Hakkas and Black Flags, who will offer much the same sort of resistance that the dacoits in Burmah and the so-called pirates in Tonkin opposed to the pacification of those countries. The operation of wiping them out in Formosa should, however, prove a less difficult one than has been the case in the countries mentioned, owing to its insular position.

Meantime the position of the foreign residents at Anping is causing some anxiety. They have sent their moveable property to Amoy, but they seem determined to stick to their immovable property at all odds. Whether the withdrawal of the forces landed from the British ships can be justified Admiral Butler should be best qualified to say, but on the face of it their retirement has an ugly look, and is undoubtedly open to criticism. It may be argued that the residents were urged to cross to the mainland with their opium and treasure, leaving any other damage to be made up by the Government, but they naturally do not like the labours of years undone by the hand of the looter, and were apparently quite satisfied that, while they enjoyed the assistance of the British seamen and marines they would be able to give a good account of Liu Yung-fu and all his rabble, if, indeed, they ever dared to attempt to carry their threats into execution. The British Consul evidently supported them in this view, inasmuch as he appealed to Sir Nicholas O'Connor, and the Minister obviously took the same view, as he called upon the naval authorities to give their protection to the British residents in Anping. But Admiral Butler, for reasons that may be unimpeachable, has declined to allow the force of seamen and marines landed to remain, and great is the exultation of the Black Flag leader, who now, fearless of contradiction, asserts that, if they had not been withdrawn, he would soon have served them with a very summary notice to quit. In the absence of any inkling of the reasons that swayed the gallant Admiral in arriving at this to us perplexing conclusion, we are at a loss to know how he could defend his action if it proved the cause of great loss of life and property at Anping. We sincerely trust that no crisis will arise which may necessitate a public defence of this action, and we cannot doubt that the Admiral has what at least seem to him all-sufficient reasons for it. Possibly he has come to an understanding with the Japanese on the subject, who may have pledged themselves to make good all losses of property that might be entailed by the temporary withdrawal of the foreign residents in South Formosa. However this may be, it would seem that he is unable or unwilling to give his reasons but only urges them to withdraw, and as an inducement has re-embarked their defenders. If the foreign residents could only receive official assurance that they would be fully indemnified for all losses attendant on their temporary withdrawal they would not hesitate to leave Formosa.

THE WITHDRAWAL OF THE BRITISH GUARD FROM ANPING.

(6th July.)

The latest suggested reason for the withdrawal of the British guard from Anping does not seem sufficient to justify the action taken. It is said there were only five British merchants to be protected and the interests involved were considered too small to warrant the retention of the men-of-war and the shore guard. The merchants were given the opportunity of leaving, and of taking with them all their moveable property, and this the Admiral seems, if the suggestion made is correct, to have considered sufficient. No official statement has been made on the subject and there may be other reasons beyond those already suggested, though it is difficult to divine what they can be. No doubt questions will be asked in Parliament on the subject, or may already have been asked, and the Admiralty's explanation will then become known. In the meantime we have two suggestions made to account for the remarkable course which has been adopted. In the first place, it is said that during the typhoon season it would be unsafe for the ships to remain at Anping, where the anchorage is exposed and dangerous. Incidentally, the extreme discomfort to the crews, in a tropical climate, of living on vessels with steam constantly up, has been mentioned; also the heavy item of coal expenditure. Secondly, the suggestion is made that the interests involved are too small to warrant the continuance of protection. As to the danger from typhoons, it may be replied that with a sufficient guard on shore it would be unnecessary that the ships should remain permanently in the harbour with steam up; they might have remained at Amoy, or the nearest safe anchorage, and maintained daily or frequent communication. If it be said that it would be unsafe to leave men on shore without the support of the ships, the answer is that the shore force could have been increased. One or two companies of the Hongkong Regiment might have been sent over if necessary. A force of two or three hundred would have no difficulty in holding the position against the rabble known as the Black Flags. A great deal of nonsense has been talked about the prowess of the latter, founded on the resistance they offered to the French in Tonkin. What they did there was always to retire when the French moved forward, trying, however, to keep up a guerilla warfare by cutting off small detachments or stragglers. We do not suggest that two or three hundred British troops could safely march out to meet ten or twenty thousand Black Flags, but the experience of the French in Tonkin was that any post could be safely held by one or two hundred men, and there would certainly have been no danger in leaving a small British force on shore at Anping. The only question is, whether it was worth while. The mere fact that the Black Flag leader had demanded the withdrawal of the guard ought to afford sufficient answer to this. Liu Yung-fu is now boasting that the British retired in consequence of his threats to remove them, which is not calculated to raise British prestige in the estimation of the natives. That, however, is by the way; the more immediate question is as to whether the material interests involved were sufficient to justify extraordinary measures for their protection in a time of emergency. To this there can only be one answer. The number of the British merchants does not seem to have any direct bearing on the matter. Whether conducted by a large or small number of merchants the fact remains that

there was a substantial trade carried on, say of a value of half-a-million sterling per annum, to which should be added the earnings of the steamers employed in carrying the merchandise. The proposed withdrawal of the merchants would have meant the abandonment of this trade—and Great Britain is not accustomed to abandon any considerable and well established trade because it is too much trouble or too disagreeable for Her Majesty's fleet to afford protection to it. As the merchants refused to act upon the Admiral's advice, electing to remain at their posts at their own risk instead of running away, the Admiral has sent several of the ships back, from which it would appear that he recognises it as a duty to afford protection, his policy of attempting to remove the necessity for such protection not having succeeded. The original withdrawal of the ships and of the shore guard seems to have been an error of judgment on the Admiral's part. The ships have now returned, and it would not be surprising at any time to hear that men have again been landed for duty on shore. We do not see how the merchants could well have acted otherwise than they have done, unless they were prepared to sacrifice their present business and future prospects. It must have required courage to remain when the guard left, but there was nothing foolhardy or unreasonably obstinate about it. What would have been their position had they retired? It might have been months before they would have been able to return, they would then have found the Japanese in possession, the circumstances would have been entirely altered, their connections would have been destroyed, and they would have had to commence afresh. The crisis is one at which it is most important for them to be on the spot to adapt themselves to the changing conditions. For them to leave their business at the present juncture would be much the same thing as for a skipper to leave his ship when a typhoon was breaking.

THE INLAND SEA JAPANESE TERRITORIAL WATERS.

Although the judgment of the Privy Council in the *Chishima-Ravenna* case disposes only of a preliminary issue, that issue is, to the Japanese Government, infinitely more important than the question of damages, which still remains to be tried. An action was brought against the P. and O. Company to recover damages for the loss of the torpedo cruiser *Chishima*, and the form the proceedings took enabled the Japanese to advance the contention that the Inland Sea was not a part of the high seas, but Japanese territorial waters. That contention has now been decided in their favour by the Privy Council and will therefore, as an international matter, be admitted by the British Government. The Japanese claim is similar to that advanced by the United States with reference to the Behring Sea in connection with the dispute with Great Britain as to the right of seal hunting. In each case it was claimed on the one side that the sea in question was a part of the territorial waters and on the other that it belonged to the high seas. The American claim was referred to international arbitration and was disallowed; the Japanese claim has been carried to the highest accessible British Court and has been admitted. So far as Great Britain is concerned that may be taken as settling the matter. Should the point ever be raised as between Japan and any other nation it could only be settled by war, or, like the Behring Sea case, by international arbitra-

tion, or by Japan yielding to *force majeure*, as in the case of the retrocession of the Liaotung Peninsula.

Mr. Mowat, the Judge of Her Majesty's Court for Japan, decided when the case was brought before him that the Inland Sea was Japanese territorial waters. The Supreme Court at Shanghai on appeal reversed this judgment and decided that the Inland Sea was the highway of nations, Sir N. J. HANNEN, the Chief Justice, remarking in the course of his judgment that some years ago "when the entrance to the Inland Sea was stopped, the right to enter and pass through it was asserted by force of arms by England, France, Holland, and America, and such right admitted by the Government of Japan." Probably if it were again sought to stop the entrance to the Inland Sea a similar result would follow, but the use of coercion does not necessarily mean a denial of the sovereign rights of the nation coerced. So long as Japan is content to act according to reason and the custom of nations her rights in respect of the Inland Sea are not likely to be again called in question. It follows, however, from the judgment of the Privy Council that except in so far as the question may be affected by existing treaties, which will shortly expire, vessels passing through the Inland Sea will in future be subject to the Japanese Merchant Shipping Law and not to the ordinary Law Maritime. As Japan's Merchant Shipping law closely resembles that of England the change in that respect will not be of a very revolutionary character.

THE IMPERIAL FEDERATION (DEFENCE) COMMITTEE AND MILITARY CONTRIBUTIONS.

Our Singapore contemporaries have recently reproduced a paper issued by the Imperial Federation (Defence) Committee, in which prominence is given to the Straits grievance in connection with the military contribution. The *Free Press* is jubilant over the appearance of this pronouncement and seems to take some credit to itself for having been instrumental in opening the eyes of people at home to the Imperial aspects of the question. "Time after time," says our contemporary, "during these years past—alone—has this journal impressed upon the people of this colony that, however vital to us and to our finances the extortion proved, it had an aspect of truly Imperial character, far outweighing its mere primary character of a dispute between the colony and the Home Government upon a matter of revenue and expenditure. To our mind, and it added heavily to our responsibilities that we were apparently left quite alone to appreciate and enforce this view, the grievance was capable, rightly handled, of not only obtaining redress for ourselves, but of precipitating that great readjustment of responsibilities between the United Kingdom and the colonies at large that would sooner or later have to be made, if the resources of the Empire were to be turned to full advantage for the Imperial defence, and their provision so allotted and distributed as to cause—due allowance being made for circumstances—a fair incidence of this essentially Imperial burden over all the political units included within the Empire." Our reading of the *Free Press* hardly supports this claim. It is true that latterly there has been some casual recognition of the Imperial aspects of the question, but from the beginning to the end the keynote of our contemporary's contention has been that money taken from the colony without the colony's consent was spolia-

tion and robbery, that although the colony might be willing to make some donation towards the cost of its defence it was for the colony itself to determine the extent of that donation, and, in short, that the injustice of the present contribution lay not only in its amount but in the fact that the vote was forced through the Legislative Council against the votes of the unofficial members. This attitude appears inconsistent with a support of the position taken up by the Imperial Federation (Defence) Committee, the bearing of which our contemporary appears to have misunderstood. The Committee makes use of the case of Singapore to show that the present system works injustice, inasmuch as some colonies have to pay a great deal while others are allowed to escape altogether, but its contention is, not that Singapore should pay less, but that other portions of the Empire should also be called upon to pay a fair proportion. "If the case of the Straits Settlements be a hard one," says the Imperial Federation (Defence) Committee, "that of the United Kingdom is infinitely harder," inasmuch as it has to support the whole cost of the navy, and it is contended that the colonies should pay proportionately. The remark made by Lord Ripon in one of his despatches, that "the people of this country (the United Kingdom) are much more heavily taxed than the people of the Straits Settlements, and are only able to devote to civil purposes about 36 per cent. of their revenue, as against 80 per cent. or more so available at the Straits Settlements," is quoted as showing the hardship upon the United Kingdom. The Imperial Federation (Defence) Committee may have a good case, but the colonies can hardly be expected to show great eagerness to relieve Great Britain of such proportion of its military expenditure as shall bring the ratio of military expenditure to revenue to the same level throughout the Empire. That all portions of the Empire are equitably liable to contribute to the cost of Imperial defence is a proposition which we think cannot be disputed, but regard must be had in each case to local circumstances and to ability to pay. The matter cannot be settled by a comparison of percentages of military expenditure to revenue, for some colonies may be too poor even to pay the cost of their civil administration, as Hongkong was in the earlier years of its existence, when it had to depend upon the assistance of a grant-in-aid from the Imperial Government. Now that the colony can afford to do so it seems to us not unreasonable that it should contribute to the cost of Imperial defence, but we cannot admit that we should be called upon to pay in the same proportion as the United Kingdom. An Inter-Departmental Committee has recently been considering the Straits contribution, and we hope its report will recommend some relief for our southern neighbours and place the question as regards all the contributing colonies on a more satisfactory basis. In the meantime, however, it may be well for the *Free Press* and the Straits Association to recognise that the Imperial Federation (Defence) Committee is not fighting for the interests of the colonies, but for the interests of the home taxpayer, and there can be no joining of forces unless the colonies are prepared to admit liabilities they have hitherto denied and protested against. The Imperial Federation (Defence) Committee advocates a policy of levelling up in the matter of colonial military contributions, whereas the colonies object to be levelled up. In the particular case of the Straits Settlements the colonists say they pay too much

and that they should be immediately relieved of a portion of the burden; the Imperial Federation (Defence) Committee say in effect that relief should not be granted at the expense of the British taxpayer, whose case, they contend, is harder than that of the Straits taxpayer; and as there is no one else on whom the burden can at present be placed the two parties cannot be brought into line. If ultimately all the colonies are called upon to contribute on a uniform scale, that may lessen the present injustice of calling upon the Straits to pay more than other colonies, but if there is no reduction in the actual amount it has to pay the colony's finances will not be benefited. According to the Imperial Federation (Defence) Committee any increased contributions that may be obtained from the colonies should go, not to the relief of Singapore, but to the relief of Great Britain, whose case is "infinitely harder."

THE SITUATION IN ANPING.

THE WITHDRAWAL OF THE GUARD.

PROBABLE EXPLANATION.

H.M.S. *Spartan*, which left Hongkong on the 13th May for Formosa, returned Friday morning from Anping *via* Amoy.

Admiral Buller is at present in Yokohama, and when a brief telegram came from him commanding the withdrawal of the whole of the marines from Anping, there was considerable consternation amongst the residents. No one knew the reason for taking away the guard, and the surprise which was occasioned by the telegram was shared by the various officers on the warships. It is probable that the explanation of the Admiral's order is this. There are only about five British merchants in Anping, and they were given every opportunity to leave the port for Amoy with all their belongings. They refused to comply with this request, and Admiral Buller was made acquainted with their decision. It is thought most likely that he considered it unnecessary for a guard of 150 men and several warships to be retained for the protection of these merchants, as the movements of the Japanese were very mysterious, and the guard might have to wait many months before the Japanese fleet put in an appearance. At the present time the *Redbreast* and *Plover* are at Anping, the *Leander* has left, and the *Rainbow* is at Amoy.

There was considerable excitement at Anping on the day of the arrival of the *Rainbow*. When the vessel was first sighted steaming at full speed, the rebels concluded that she was a Japanese man-of-war, and the forts were immediately manned, and every preparation made for an attack. The officers on the *Spartan* of course witnessed these operations, and they, too, got everything in readiness for an emergency. The guns were all pointed to the forts, and a battle seemed imminent. While these preparations were being made the British Consul saw the rebel chief and assured him that the incoming vessel was a British ship, but it was some time before the chief was convinced. When, however, he at length saw the British flag flying he gave orders for the preparations to cease. The forts were left, and simultaneously the warlike proceedings on the *Spartan* were concluded.

The *Hailong*, from Tamsui, brings word of the position of affairs in the north of the island. About 1,500 of the better class of the residents in Tamsui have left the place, and five hundred peasants have gone over to Amoy because of a rumour that the Black Flags were going to attack them in consequence of the false stand they made against the Japanese. Last Monday it was reported that the Japanese had landed a large force about 40 miles north of Anping, but it is impossible to say whether there is any foundation for this statement. It is believed by many that the Japanese are meeting with considerable opposition on their march down the country, and many of the soldiers have died from diarrhoea and fever. No definite information, however, can be obtained on any of these points.

THE CHINA ASSOCIATION AND THE WITHDRAWAL OF THE BRITISH GUARD FROM ANPING.

The following was issued at Shanghai on the 2nd inst:—

The Shanghai Branch of the China Association announces for general information that having regard to the exceedingly unsatisfactory news from Formosa, enquiry was made to the Hongkong Branch for particulars in reference to the order said to have been issued by Admiral Buller; whether any steps had been taken in the interests of all concerned; and for any further available information.

The reply from Hongkong is as follows:—Information has been received that Japanese forces about to attack Anping, the headquarters of the Black Flags. The English and German Admirals advised their nationals to leave in view of proposed attack. Nothing else can be done, and communicated with Sir N. R. O'Connor previously as to position.

Anping lies near the city of Tainan (until 1889 known as Taiwan), 23° 06' N, 120° 03' E. W. H. TALBOT, Hon. Secretary.

HONGKONG SANITARY BOARD.

A meeting of the Sanitary Board was held on Thursday afternoon, Hon. F. Cooper (Director of Public Works) presiding. There were also present—Hon. Commander W. C. H. Hastings (Acting Captain Superintendent of Police), Dr. J. A. Lowson (Acting Colonial Surgeon), Major Westcott (Acting Medical Officer of Health), Mr. N. J. Ede, and Mr. H. McCallum (Secretary).

MINUTES.
The minutes of the previous meeting were read and confirmed.

THE BETTER CONTROL OF INSANITARY DWELLINGS.

The ACTING COLONIAL SURGEON—In moving the resolution that is in my name I would only remind you that most of our plague cases this year have occurred in places of the most insanitary condition, and as every plague case we get here now is of the greatest consequence to the colony, meaning almost perpetual quarantine by Manila and Saigon, I think we ought to try to get ahead of the plague instead of marching hand in hand with or alongside of it. I think this resolution, if properly carried out, would have the effect of making owners clean out their houses for themselves. It is a very hard thing indeed that the Government should be made to pay for putting these insanitary places in order now, and I think the proper procedure would be to get a list of all those houses which are in a filthy condition—there are many of them—and after a report from the Medical Officer of Health proceedings could be instituted under by-laws 28, 29, and 30. At the same time I may mention we are practically surrounded with cholera, Singapore, Saigon, and Japan being infected with the disease, and it is all the more necessary to get the town—especially the west end—into something approaching a sanitary condition. I suppose it is necessary to have this work done by the Medical Officer in order to insure successful prosecutions at the Magistracy, if prosecutions are required. I would also point out that in the present by-laws there is no provision for the Government recouping itself for the work done. By-law 30 reads that people shall be liable to a fine of \$25. It strikes me it would have been advisable to have inserted that the Government could claim the costs of the disinfecting and cleansing process in addition. I think it is a pity it was not done at first, and I think the attention of the Government might be called to the point. I do not think there is anything else to say in the matter, and the sooner we get on with it the better. I have a personal interest in this matter, because I do not want to see the plague epidemic here again or cholera either. It simply means hard work for me, and it would also be bad for the colony. I am perfectly certain if we could get into a lot of these bad places we should have fewer of what are called sporadic cases of plague cropping up perpetually. I beg to move.—That a report be supplied to the Board as to the numerous insanitary places in the colony which can be dealt with under by-laws 28, 29, and 30 made under section 13 of

Ordinance 15 of 1894 and that the Board request the Government to call on the Acting Medical Officer of Health to furnish it at the earliest possible moment."

Mr. EDE—I have much pleasure in seconding, sir.

The ACTING MEDICAL OFFICER OF HEALTH—I think it would be better if a Committee was formed in order to deal with any case of difficulty in the Law Courts, and if Dr. Lowson would associate himself with me in this matter. I think it is a fact—

The ACTING COLONIAL SURGEON—I have got far too much work just now and I could not go round to see the places, but in cases of doubt I would be quite happy to go and see the place. I think there are many places where there should not be a shadow of doubt, and these might be hunted up first, and the people called upon to put them in a proper condition as regards disinfection and whitewashing. There are many places which it would be charity to describe as infernal holes.

Mr. EDE—I suppose Dr. Westcott would be accompanied by an officer of the Sanitary Board, and therefore in case evidence was required there would be somebody to assist him. I suppose Dr. Westcott means that there should be sufficient evidence, and it would only require somebody to go with him for the evidence to be sufficient.

The ACTING MEDICAL OFFICER OF HEALTH—I am quite satisfied.

Mr. EDE—I think it is a very useful measure, and I quite agree with Dr. Lowson that we ought to get ahead of this disease.

Carried.

A BOOK OF SANITARY LAWS.

The ACTING COLONIAL SURGEON—In moving the next resolution I can only remark that the by-laws and Ordinances are so scattered over the Ordinance books that I think it would be a very good thing for both the members of the Board and the public if we could have the laws and by-laws in a handy book. It has been pointed out to me that the word "small" is a bit out of the way, because as there has been so much sanitary legislation in this colony it really wants a pretty big book now. But I think the laws ought to be compiled in a book, so that one can refer to matters with the greatest ease. I therefore move—"That the Secretary be instructed to compile in a small handbook all the Ordinances and by-laws relating to sanitary matters in the colony."

The ACTING CAPTAIN SUPERINTENDENT OF POLICE—I second that.

Mr. EDE—I have been asked to-day whether, in addition to the Ordinances and by-laws, it would not be as well to incorporate the Building Ordinance, which affects sanitary matters as well. There is a feeling in the colony that we have not got the things put together. I do not know how far this is feasible.

The PRESIDENT said that the sections referring to the Building Ordinance were added as marginal notes in the by-laws.

Carried.

INSANITARY DWELLINGS.

A letter was read from Mrs. Alves respecting farm lot No. 12, Mong-kok-tsui. She had been ordered by the Board to abate a nuisance existing on the premises, and she wrote asking the Board to suggest how the place could be made sanitary.

The PRESIDENT said he was of opinion that the Board ought to adhere to its legislation in view of the very serious insanitary state of that property, and further, if the owners of the property had any definite scheme to put before the Board for remedying the defects, it was the duty of the owners to announce the scheme, and not to ask the Board to make suggestions. (Hear, hear). He proposed that the usual measures be taken in reference to the property.

The ACTING COLONIAL SURGEON seconded.

Mr. EDE—What does the property consist of?

The PRESIDENT—Mats, old boats, kerosine tins, &c.

The resolution was carried.

THE LICENSING OF COMMON LODGING HOUSES.

Several applications were made to the Board for licences to keep common lodging houses.

The PRESIDENT—I am glad to say that at last it seems that some appreciable good has been done by the action taken by this Board on the licensing question. It is not put forward

that these lodging houses are all that can be desired. Mr. May went very carefully into the matter with the Secretary—those two gentlemen having been appointed by the Board as a special Committee to consider the matter and to deal with the various applications. On Mr. May's resignation on leave I thought it would be better, rather than take the matter in my own hands, to circulate the papers for the views of the members of the Board. Under all the circumstances I concur with the opinion expressed in the Secretary's minute and in the instructions which the late Vice-President gave to the Secretary. Of course any further explanation on this matter would be going over ground a second time. Respecting the suggestion that has been made that the Medical Officer should inspect the houses before the licences are granted, I think that such a delay as an inspection would cause is undesirable, as each application is considered by the Secretary. I now propose that the licences be issued.

THE ACTING COLONIAL SURGEON—I have a certain amount of pleasure in seconding this motion. I think, at the same time, that several of these houses can be improved by the Medical Officer going through them and suggesting certain improvements to the owners or to the occupiers. There are some boarding houses in Hongkong which are very bad indeed. That one in Heung Lane we cleared out the other day ought not to have been licensed by the Harbour Master.

THE ACTING CAPTAIN SUPERINTENDENT OF POLICE—It was not licensed. We do not licence those—nor the Chinese.

THE ACTING COLONIAL SURGEON—I understood it was licensed; there was a number over the door. The house in Queen's Road was a very fair one; but I think the Medical Officer of Health might be asked to go round and suggest to the owners or to the occupiers how to improve their present dwellings, possibly at a small sacrifice of room, but not at the cost of adding another floor, as has been suggested. I think it quite possible that with a little mild advice the owners of these places would put them in a somewhat better condition as far as privy accommodation is concerned. A little might be taken off the end of some of these places, and each house might be dealt with separately on its own merits. Of course we cannot compel a man to carry out all the improvements that might be suggested, but at the same time they will know that when the time for licensing comes round again they might have some difficulty in obtaining the licences.

THE ACTING CAPTAIN SUPERINTENDENT—We could not get them to register until 495 had been up at the Police Court. That is not very mild advice.

THE ACTING COLONIAL SURGEON—I think if they were asked to do some of these things—put the places in proper order, especially back kitchens—I think it might have a good effect. I know it is a very heart-breaking business trying to get them to improve their places, but I think if it was pointed out to them that unless they tried to improve their places on the next occasion they would get their applications for licences refused, an improvement would take place.

THE PRESIDENT—This is the first step towards getting the owners to register, and it is in order that the Board should be in a position to ascertain at any moment who are the persons responsible for the premises. I am quite sure that the officers of this Board will bring to the notice of the owners and also to the Board any defects which are to be remedied.

It was resolved to issue licences to the applicants.

THE DRY EARTH SYSTEM OF CONSERVANCY

The report on the dry earth system of conservancy came up again, and it was resolved, on the motion of the President, to appoint a Committee, consisting of the President and the Medical Officer of Health, to consider the terms of the contract.

WATER ANALYSES.

The analyst submitted reports on samples of water drawn from the mains of the Tytam and Pokfulam supplies during June. The results of the analyses were satisfactory.

THE OCCUPATION OF BASEMENTS.

The following letter was read from Mr. A. Denison—"With reference to the closing of ground storeys of certain houses in the colony to human habitation on account of the backs of such

ground storeys abutting on retaining walls. I am instructed by several owners of Chinese property to ask you if occupation of the said ground storeys would be allowed if a brick wall were built across the houses at a distance of four feet from the retaining wall, and arches turned in the side walls of the houses so as to make a clear passage open to the street along the backs of the ground storeys, as shown on the accompanying tracing."

The following minutes were appended:—

The Secretary—The proposal seems a fair one, and I should think each case would have to be considered separately and the decision given according to the particular circumstances of the case.

The President—I am of opinion that no general approval of this nature should be given. It must be borne in mind that irrespective of the by-laws proceedings can be taken to close houses unfit for habitation, under Section 23 of Ordinance 24 of 1887, and the Board should do nothing to prejudice itself in the event of such action being necessary.

The Acting Medical Officer of Health—The proposed alterations would not, in my opinion, render it habitable.

The Acting Colonial Surgeon—I disapprove of the scheme altogether. It is just possible some blocks might be treated in this way, but I want to see them first. The passage may be an improvement, but it is not enough.

The Acting Captain Superintendent of Police—I recommend refusal.

It was resolved to reply in accordance with the view expressed in the minutes.

MORTALITY STATISTICS.

For the week ended 23rd June the death rate was 20 per 1,000 per annum, as compared with 84.8 during the corresponding week last year.

For the week ended 9th June the death rate was 24.4 per 1,000 per annum, as against 60.7 for the corresponding week last year.

The following minutes were appended:—

The Secretary—The features of most importance in this return are the deaths from bubonic plague and choleraic diarrhoea. The latter took place in the Tung Wah Hospital, the deceased having just arrived in the colony from Siam.

The Acting Colonial Surgeon—Any explanation of the high death rate amongst Aberdeen boat population?

The Director of Public Works—Please enquire into the cause of high death rate at Aberdeen amongst boat population.

The Secretary, in a note, explained that three deaths were from fever, one from infantile convulsions, and one was not diagnosed.

ADJOURNMENT.

The Board then adjourned until next Thursday week.

DEATH OF MR. W. ROSS.

We much regret to announce the death of Mr. William Ross, manager of the firm of Falconer and Co., watchmakers and jewellers, which took place on Friday morning. Mr. Ross came to Hongkong in 1872 and was connected with the firm of Falconer and Co. during the whole period of his residence in the colony. In 1887 he was Foreman of the Volunteer Fire Brigade and while acting in that capacity, on the 28th December, had the misfortune to meet with an accident which resulted in his losing a leg. We quote the following from the account published in the *Daily Press* at the time:—

"About half-past four o'clock, when the fire was beginning to be got in hand, Mr. Foreman Ross went to relieve one of the 'red jackets.' He had only been holding the nozzle for about a minute when the whole wall of the house upon which he was playing—a three-storeyed one—fell, without the slightest warning. One of the Government Brigade, Police Constable Roberts, was standing near at the time and managed to escape. Mr. Ross, however, was not so lucky, and he was partially buried in the debris. He was immediately got out, when it was found he was crushed in a most frightful manner. When released, Mr. Ross, although he must have been suffering great pain, with that generous spirit which has made him so popular with his Brigade, first enquired whether any of the others had been hurt, and on being assured that he was the only one injured, said, 'That's all right.' He was then removed as quickly as possible to the Government Civil Hospital, where it was found that the bone was so completely crushed that it was necessary to amputate the leg below the knee, which operation was accordingly performed by Dr. Atkinson, Superintendent of the Hospital."

Mr. Ross made a very slow recovery and it was many months before he was able to leave the

hospital. Before his accident he had been very energetic in taking exercise; afterwards he was restricted to taking an airing in a chair in the evenings, and being rather morbidly sensitive with regard to his infirmity, or to the sympathy that it called forth, he generally waited until dusk before going out. Being a man of rather full habit of body the want of exercise no doubt told upon his health. Yesterday, about noon, he was seized with an apoplectic fit, and died about an hour and a quarter later. Dr. Hartigan was called in, but it was a case in which medical aid was of no avail. Mr. Ross's death will be regretted by a large circle of friends, and especially by those who worked with him in the Volunteer Fire Brigade, an institution which was abolished some months after his accident. At the time of his accident and during the long and painful illness that followed Mr. Ross displayed the greatest fortitude and on his recovery he regained his old cheerfulness, always having a pleasant greeting for his acquaintances, but the sensitiveness already mentioned caused him to keep very much to his own quarters out of business hours and he was never seen at places of public resort.

SUPREME COURT.

8th July.

IN APPELLATE JURISDICTION.

BEFORE THE FULL COURT—THE HON. W. MEIGH GOODMAN (ACTING CHIEF JUSTICE) AND MR. T. SECOMBE SMITH (ACTING PUISNE JUDGE.)

The Hongkong and Shanghai Banking Corporation, the Chartered Bank of India, Australia, and China, the Chartered Mercantile Bank of India, London, and China, the New Oriental Bank Corporation, Limited, and the Comptoir National d'Escompte de Paris plaintiffs and appellants,

and
John Murray Forbes, Ng Woon Sun Howqua, Creasy Ewens, Ng Chow Fong, and others, defendants and respondents.

Mr. J. J. Francis, Q.C., instructed by Mr. A. B. Johnson (of Messrs. Johnson, Stokes and Master) appeared for the appellants, and Mr. E. H. Sharp, instructed by Mr. H. L. Denny and Mr. Creasy Ewens, represented Ng Woon Sun Howqua, Creasy Ewens, Ng Chow Fong, and others, respondents.

The Acting Chief Justice (the Hon. W. Meigh Goodman) delivered the following judgment:—This is an appeal by the plaintiffs against the judgment, in this suit, delivered by Mr. Justice Ackroyd (Acting Chief Justice) on the 20th February, 1895, by which he dismissed this suit with costs. The case was tried before that learned Judge, without a jury, by desire of the parties. The judgment, now appealed against, sets out very fully the facts of the case, the findings of the Judge upon those facts, and the law which he applied to those facts and findings, and no application was made for a new trial. The plaintiffs are judgment creditors of the firm lately carrying on business in London, New York, Hongkong, Shanghai, and other places, under the style of Russell and Co., and of the several partners of that firm. The several plaintiffs began separate actions against Russell and Co. on 4th July, 1891, and obtained judgments on 15th July, 1891, and thereupon took steps to realize the fruits of such judgments against certain properties standing, subject to certain documents hereinafter mentioned, in the names of partners of the firm of Russell and Co., namely, Inland Lots 83, 718, 720, and 721, and Marine Lots 202 and 203, standing in the name of John Murray Forbes, and Inland Lots 148 and 578 standing (subject, however, to some mortgage) in the name of William Howell Forbes, in the Land Registry. The plaintiffs, however, found that the defendants, Creasy Ewens and Ng Chow Fong, claimed by assignment from J. Murray Forbes registered 28th June, 1891, to be in possession, as agents for the defendant Ng Woon Sun Howqua, of all these properties, except Inland Lots 148 and 578, and that certain other documents had been registered, shortly before the date of the

judgments, at the Land Office, which, if valid and not set aside, would prevent the plaintiffs from appropriating those properties in payment of their judgment debts. These documents were as follows:—(1st) A letter of hypothecation or equitable charge, dated 31st March, 1884, from Russell and Co. to John Murray Forbes, trustee for Howqua, whereby the firm acknowledged to have deposited with Forbes, the trustee, the documents and securities mentioned in the schedule thereto, as collateral security for the payment of their promissory note to him as such trustee (dated also the 31st March, 1884) for the sum of Tael 258,000 Shanghai currency and interest at 7 per centum. This document, though registered at Shanghai on 4th June, 1891, at the U.S.A. Consulate, was not registered at the Land Office in Hongkong till the 10th July, 1891. It was made in Shanghai. Having regard to the terms of the power of sale it contained, I am not sure the term "hypothecation," borrowed from the Roman Law, is quite appropriate. However, it was spoken of by counsel as a letter of hypothecation, and it may, therefore, be well to call it by that name to avoid confusion in this judgment. (2nd) A deed poll or declaration of trust, dated 18th June, 1891, by which the said John Murray Forbes declared himself possessed of the lands therein mentioned, as trustee for the defendant Ng Woon Sun Howqua as security for a debt due to him (Howqua) from Russell and Co. of a sum of 258,000 taels of Shanghai sycee silver, together with interest thereon at the rate of seven per cent. per annum. This document was registered at the Land Office the same date as it is dated, viz., 13th June, 1891. As regards the letter of hypothecation of 31st March, 1884, besides a number of shares and some land at Foochow and Canton, the Hongkong lots, included in its schedule under the head of "particulars of securities," were as follows:—Inland Lot No. 83, The Hermitage; Inland Lot No. 148, Rose Hill; Inland Lot No. 578, Rose Hill; Inland Lot No. 721, Kerosine Godowns; Marine Lot No. 202, Godown; Marine Lot No. 203, Godown; Marine Lot No. 225, remaining portion of section A of lots 22 and 23 Praya West and 22 and 25 Tunglei Lane. As regards the deed poll or declaration of trust of the 18th June, 1891, the lots therein included were Inland Lots 83, 718, 720, and 721 and Marine Lots 202 and 203. It will be, therefore, observed that in the deed poll the two Rose Hill lots (148 and 578) and Marine Lot 225 are omitted, while two Inland Lots, 718 and 720, not in the letter of hypothecation, are inserted. The plaintiffs desired to set aside the two documents I have mentioned as fraudulent under the Statute 13 Elizabeth cap. 5, and, therefore, null and void, as against them as creditors. Accordingly, on 19th August, 1891, they issued a writ against the first four defendants. It is unnecessary, for the purposes of this judgment, to discuss why certain other defendants were subsequently added. That writ asked:—(1) To have set aside and declared fraudulent and void, as against the plaintiffs, the letter of hypothecation, dated 31st March, 1884, whereby Russell and Co. purport to charge certain pieces or parcels of ground and premises in Hongkong, their property, in favour of John Murray Forbes, one of the partners in the said firm, as trustee for one Howqua, to secure payment to the said John Murray Forbes, as trustee, of a sum of taels 258,000 and interest. (2) To have set aside and declared fraudulent and void, as against the plaintiffs, a deed poll or declaration of trust dated 18th June, 1891, by which the said John Murray Forbes declares himself possessed of the said pieces or parcels of ground and premises as trustee for the defendant Ng Woon Sun Howqua, as security for the said debt. (3) To have set aside and declared fraudulent and void, as against the plaintiffs, an assignment by John Murray Forbes of the said pieces or parcels of ground and premises to the defendants Cressy Ewens and Ng Chow Fong as agents or attorneys for the said Howqua. (4) To have the registration in the Land Office of this colony of the said documents declared fraudulent and void, as against the plaintiffs, and to have the registers corrected accordingly. (5) To have the defendants and each of them compelled by the order and injunction of the Court to deliver up to the plaintiffs, or to the receiver and manager appointed by the Court, the title deeds of the pieces or parcels of ground and premises. (6) To have the defendants and

each of them, their servants and agents, restrained by the order and injunction of the Court from selling or mortgaging or attempting to sell or mortgage the said pieces or parcels of ground or any of them; from collecting or receiving the rents or profits thereof or from interfering, in any way, with the plaintiffs as such execution creditors. (7) To have a receiver and manager of the said pieces or parcels of ground and premises. (8) To have the said pieces or parcels of ground sold, under the order and direction of the Court, and the proceeds applied in payment, *pro rata*, of the judgment debts due to the plaintiffs, respectively. (9) To have such further and other relief as the nature of the case may require. The petition in this suit was not filed till 10th March, 1892, more than six months after the date of the writ; but, in October, 1891, the plaintiffs desired to take the evidence of William Howell Forbes, the partner who had signed the letter of hypothecation in Shanghai with the firm's name, Russell and Co. They therefore obtained, upon summons and affidavit that he was shortly leaving the colony, an order for his examination *de bene esse*. William Howell Forbes was accordingly examined and cross-examined on 30th October, 1891, and it was not till more than four months after both sides knew what his sworn evidence was that the petition was filed. That petition asked, substantially, for the same relief as that claimed in the writ, except that instead of asking the relief quoted as (3rd) in the writ, the petition prayed to have it declared that Cressy Ewens and Ng Chow Fong were trustees of the lots for Russell and Co. The plaintiffs' case was based substantially at first, as it still is, on the allegation that the letter of hypothecation was fraudulent and void, as against creditors, under the statute of Elizabeth. That statute invalidates and makes void against creditors all manner of alienations of property, &c., made with the intention of delaying, hindering, or defrauding creditors and others. But the 6th section provides that the Act shall not extend to any conveyance made upon good consideration and *bona fide* to any person not having, at the time of such conveyance, any manner of notice or knowledge of such covin, fraud, or collusion. A conveyance, therefore, cannot be invalidated by this Act if there has been a *bona fide* purchaser. It will be necessary, therefore, for the Court to decide whether the so-called letter of hypothecation is voided by the general words of the statute of Elizabeth or whether it comes within the saving proviso and is therefore good and valid. If that document was fraudulent, not *bona fide* and given for good, that is, valuable consideration, the plaintiffs would be entitled to have it declared void and then it would be more difficult to support the deed poll of 18th June, 1891. The main question in the case, therefore, is the *bona fides* of that letter of hypothecation with its accompanying promissory note of 31st March, 1884. Now, I have pointed out that the petition was filed long after Howell Forbes had given his evidence. Yet, in the 11th and 12th paragraphs of that petition, the plaintiffs allege that when the letter of hypothecation was signed by Howell Forbes on 31st March, 1884, Russell and Co. were heavily indebted to the plaintiff Banks and to many other persons and were about to take over, from the China Merchants Steam Navigation Company, at Shanghai, its fleet of steamers, with the wharf, godown, and other properties of the company, and to incur heavy risk and liabilities, and that Russell and Co. were not, at that time, indebted to Howqua in the sum of Tls. 258,000 or in any sum of money. The Banks, however, gave no evidence that Russell and Co. owed them or others money at or near the time, and there is nothing to disprove the statements of Howell Forbes that the firm was in good credit and able to meet its engagements at the time the letter of hypothecation was given. There is no evidence that the firm was contemplating taking over the fleet and other properties of the China Merchants Steam Navigation Company or incurring heavy risks and liabilities, and this is denied by the defendants in their answer. The plaintiffs, therefore, fail to prove what appears to me to be the most important allegations in their petition. Upon the evidence, such as it is, though it is somewhat confused, it seems to me the letter of hypothecation was given to secure John Murray Forbes for a sum of Tls. 157,000 odd and interest which he, as trustee for Howqua, had lent his firm out of Howqua's

money, without having previously obtained security for the advance, and I see nothing to make me doubt that the firm of Russell and Co. owed also Tls. 101,000 to Howqua for moneys Howqua had from time to time previously advanced them. This latter sum appears to have been included in the promissory note and letter of hypothecation, although Howell Forbes said it was not intended to have been included. Whether John Murray Forbes would have agreed that the 101,000 taels were not intended to be included I do not know. I am not aware of any attempt having been made to procure his most important evidence by commission or otherwise. However that may be, such evidence as there is points to the conclusion that the letter was given by a solvent firm for valuable consideration. But when a document is made for value, this fact shows that there may be purposes in the transaction other than the defeating or delaying of creditors. The burden of proof lies upon those who seek to impeach its *bona fides* and to set it aside as fraudulent, and they must prove an actual and express intent to defeat or delay or defraud creditors. The task set before the plaintiffs of proving such an intent, once valuable consideration is shown, is, accordingly, a far more difficult one than in the case of a merely voluntary conveyance without such consideration. Lord Justice Turner, then Vice-Chancellor, observed in *Harman v. Richards* (10 Hare p. 89), "It remains to be considered whether the settlement which was thus made for valuable consideration was also made *bona fide*; for a deed, though made for valuable consideration, may be affected by *mala fides*. But those who undertake to impeach, for *mala fides*, a deed which has been executed for valuable consideration have, I think, a task of great difficulty to discharge." That, however, is the task which the plaintiffs have endeavoured to discharge in this suit. From the absence of so much evidence which might have thrown more light on the questions raised, I can only conclude that the counsel for the plaintiffs hoped to materially strengthen their case by cross-examination of the defendants' witnesses. But the defendants called none, urging there was no sufficient case to answer and that those who allege fraud should prove it, especially where valuable consideration is shown. The letter of hypothecation was put in evidence, but the deed poll or declaration of trust of 18th June, 1891, through referred to in the pleadings, was not put in. There are the pleadings and the evidence *de bene esse* of Howell Forbes, but the only witness examined at the trial was the Acting Land Officer, Mr. Sangster, who produced certain documents from the Land Office. Now, Mr. Wheeler, the attorney of J. Murray Forbes, the man to whose custody the letter of hypothecation and shares were given and who, whether he was a partner or not, had power to sign for the firm, could, one would suppose, have given important evidence. During the hearing of the appeal it was stated by counsel that Mr. Wheeler was present in court at the trial, having been subpoenaed by the plaintiffs. Be that as it may, he was not called and the Court was left to decide as best it could upon the scanty materials before it. On the appeal the counsel for the appellants concluded his able argument by asking the Court to find as a jury whether, in all the circumstances of the case, the transactions impugned were consistent with honesty and fair dealing, bearing in mind that the defendants could have called witnesses to explain the matters requiring explanation. It may be well, therefore, to consider such matters as were urged to show want of *bona fides*. First, as regards the schedule. It is clear the schedule was not filled up when the letter of hypothecation was signed 31st March, 1884. That letter was signed in Shanghai and Mr. Howell Forbes says, "At the time I signed Russell & Co. there, in March, 1884, the schedule was not written on the document. The promissory note was written there and signed at that time." As the schedule included Marine Lot 225 which the firm did not acquire, according to the evidence, till the end of July or beginning of August, 1884, and which lot was afterwards sold to Mr. Ewen Cameron on 17th February, 1886, it would seem to have been added between those dates; and as, moreover, in mentioning the Foochow property, a letter dated 21st January, 1885, is referred to, it seems clear the schedule was added between 21st January, 1885, and 17th February, 1886. It appears also, from

Mr. Howell Forbes's evidence, that the shares and letter of hypothecation were duly handed over to Mr. Wheeler in Shanghai and remained in his possession, while the title deeds of the Hongkong properties remained in Hongkong, either in Howell Forbes's private safe or in the safe of the firm. He says, "I knew of the document. I was holding them (the title deeds) for Mr. John Murray Forbes and I made no use of them." "I parted with the Hongkong deeds in June of this year to Mr. Ewens." He also stated that the reason why the schedule was not added at the time was that they had not, in Shanghai, all the particulars of the Hongkong lots. Mr. Howell Forbes also said, "I went home in December, 1885, and came back in 1887, arriving at Shanghai in March, 1887." It was urged that the omission of the schedule at the time gave an opportunity for fraud and invalidated the document, but I see nothing to make me doubt that the document was completed between January, 1885, and February, 1886, and I see no reason to impute fraudulent intent in the matter of the schedule. But it was contended that the sale, subsequently in June, 1888, of the two Rose Hill properties (Inland Lots 148 and 578) and of Marine Lot 225, showed that either the letter of hypothecation was then no larger in force or else not given *bona fide*. The counsel for the defendants stated that the two Inland Lots 718 and 720 mentioned in the deed poll of 18th June, 1891, were substituted for the two Rose Hill lots, but there is no evidence as to whether that was done by agreement or, if so, why; nor is there any evidence as to what was done with the proceeds of the sale. The promissory note has a memorandum written on it that all partial payments on account of it were to be endorsed on it. But there are no endorsements of the kind. It seems strange that if the plaintiffs relied on the assignment by John Murray Forbes to Howell Forbes of the two Rose Hill lots in June, 1888, as a mark of fraud, no questions on the subject were put to Howell Forbes in his examination. The result is that the Court has no evidence before it as to the precise circumstances under which the two properties were assigned by John Murray Forbes, while two other lots 718 and 720, fresh Crown leases of which were granted to Forbes in 1888, appear instead in the deed poll of 18th June, 1891. I decline, in the absence of such evidence, to say that these transactions impugn the *bona fides* of the letter of hypothecation so that I ought to hold it to be fraudulent. Then it was said that the schedule included, practically, all the firm's property in China except current moneys. On the other hand it was replied it did not include English or American property, and that Howell Forbes said the headquarters of the firm were New York and before that London. We have no evidence of what such properties consisted. But we are not asked to consider the transaction with reference to bankruptcy and, as regards the statute of Elizabeth, Lord Justice Gifford, in *Alton v. Harrison* (Law Reports, 4 Chancery Appeals, p. 626), said, "I have no hesitation in saying that it makes no difference with regard to the statute of Elizabeth whether the deed deals with the whole or only a part of the grantor's property. If the deed is *bona fide*—that is, if it is not a mere cloak for retaining a benefit for the grantor—it is a good deed under the statute of Elizabeth." The bankruptcy laws are for the purpose of obtaining an equal distribution of the assets; the statute of Elizabeth had no such object. Then, it was urged the matter was kept secret by non-registration till 1891. But there is no compulsion to register. Ordinance 3 of 1844, section 1, only says that instruments in writing, &c., affecting parcels of ground, &c., in Hongkong may be entered and registered. By section 2 non-registered instruments are made void against any subsequent *bona fide* purchasers or mortgagees, but the plaintiffs are neither of these. The non-registration of the letter of hypothecation within a year prevented its taking priority according to its date, and its late registration only entitled it to take priority according to its date of registration, which was, however, before the date of the judgments obtained by the plaintiffs. The defendants, moreover, contended that the shares were handed over for John Murray Forbes to Wheeler in Shanghai, that Murray Forbes was mostly in America, that Hongkong seemed the natural home for Hongkong title deeds, and that Howell Forbes held them there for John Murray Forbes, and that John Murray

Forbes, who seems, at one time, to have held the lots as trustee for the firm and to have been so registered, surrendered the Crown leases in 1887 and obtained in 1888 fresh Crown leases in his own name (without such trust), which were so registered early in 1888. The defendants contended this was done the better to give effect to the letter of hypothecation, but no explicit evidence was given to prove this. Howell Forbes admitted in his evidence that registration in Hongkong "might have effected the firm's credit there" and that it might have been agreed the document should not be registered. One can understand that a business firm would not desire to make the hypothecation public, and if the promissory note should be subsequently paid off, the collateral security might no longer be required. However, in the absence of compulsion to register, I do not, myself, infer *mala fides* from non-registration at the time. Silence is not always the same as concealment. Business men sometimes give collateral securities to banks or others. It is not usually suggested the transaction is fraudulent because it is not published abroad. I come now to the question connected with the Howqua trust deed of 11th January, 1886, to which I have not yet alluded. The Howqua family appear to have had the greatest confidence in Russell and Co., especially in John Murray Forbes. That gentleman was trustee for Howqua at all events as early as 1877, and, in 1886, a deed, dated 11th January, 1886, was made between Howqua, of Canton (the settlor), of the first part, and John Murray Forbes, of New York (trustee), of the second part, whereby the trusts were declared of all the assets set forth in the schedule. The total value of the trust estate was over Taels 800,000. The schedule sets out the investments in the United States and then the investments in China, consisting of shares and also of real estate in Shanghai, and then comes the last item as follows:—"Amount invested by the trustee with the firm of Russell and Co. on security of shares and other securities in Hongkong and China. These investments are constantly changing." Opposite this is stated the amount, viz., "Taels 157,663.60." Whether the words "constantly changing" throw any light on the alleged substitution of the Inland Lots 718 and 720 for the Rose Hill lots, I am not in a position to decide in the absence of fuller evidence. That item, however, seems to me to bear out Howell Forbes's evidence that Murray Forbes had advanced the Taels 157,000 odd out of the Howqua trust moneys. The Taels 101,000 being alleged to be balance of debt from Russell and Co. to Howqua, and not advanced to them out of trust funds, formed no part of the original trust, and unless that sum, which was included in the promissory note, had been paid to Murray Forbes as trustee and retained by him as trustee for Howqua, one would not expect to find it in the schedule as forming part of the trust estate. It was urged that the lots ought to have been set out which formed part of the collateral security if this, *bona fide*, existed at the time, but the words "and other securities in Hongkong and China" would cover them, and possibly the gentleman who drew the trust deed had not the full particulars before him, and John Murray Forbes is described as of New York, while the title deeds were in Hongkong in a safe. I cannot say, however, that I heard any explanation given as to why no allusion was made to the promissory note for 258,000 taels, to "John Murray Forbes, trustee for Howqua." Its words were—"On demand we promise to pay to John Murray Forbes, trustee for Howqua, or order, the sum of two hundred and fifty-eight thousand taels Shanghai sycee for value received." Unless, so far as the trust was concerned, that note was treated merely as one of the "other securities" for the Taels 157,000 odd, one would have expected to find it alluded to in the trust deed schedule. The deed contained this recital:—"And whereas the property, assets, and money specified in the schedule, are now in the hands of the said Forbes, but simply as custodian thereof, and are, the only property, assets, or money now held by the said J. M. Forbes, belonging to the party of the first part, or for which the said Forbes is responsible to the said Howqua, in reference to any antecedent dealings between them, and the said property so specified in the said schedule, at the date of the execution of these presents, constitutes the entire trust fund embraced in or intended to be covered by the terms and provisions of this trust deed."

Howell Forbes said he had never seen any trust deed nor this deed of 1886. His evidence, which is on record, when read all through is not very clear, at all events to my mind, as to whether any part of the 258,000 taels was paid off and, if so, in what manner and when. But I cannot hold that the Howqua trust deed of 1886 casts any slur on the original *bona fides* of the letter of hypothecation of 1884. The circumstances at the time the document was made are to be looked at. Then, again, it was urged that, as the letter of hypothecation was unstamped, it ought neither to have been received in evidence nor registered. I may remark it was examined upon by Mr. Francis in his examination in chief of Mr. Howell Forbes, *de bene esse*, being produced to and identified by that gentleman in his evidence, and the learned Judge below when objection was taken on the trial directed the document to be impounded and stamped and the penalty for late stamping to be paid and this appears to have been done. As regards stamping, the Stamp Acts in Hongkong were, so far as relevant, (1st) 12 of 1866 amended by 5 of 1868; (2nd) 15 of 1884 amended by 2 of 1885; (3rd) 16 of 1886. The first did not expressly require documents executed out of the colony, except bills of exchange and promissory notes, to be stamped. The second Ordinance, 15 of 1884, came into force on 1st April, 1885, and repealed the previous Ordinances. By section 4 all documents executed after 1st April, 1885, were required to be stamped in accordance with the schedule and, by section 8, when executed out of the colony all documents whatever became liable, when brought into force or registered within the colony, to be stamped as if executed in the colony. Then came Ordinance 16 of 1886 which repealed the prior Ordinances, with the usual saving clause. Section 4 provided that stamp duty should be paid "For every document executed after the coming into force of this Ordinance, of the kinds specified by the schedule." Section 4 does not therefore apply. Section 8 reads as follows:—"All documents whatever executed out of the colony shall, when brought into force or registered within the colony, be liable to the same rates of stamp duty as if they had been executed within the colony." Then section 9 forbade, except as otherwise provided by the Ordinance, the reception in evidence or the registration of any document "liable to stamp duty under this Ordinance," unless stamped according to this Ordinance or in accordance with the law in force in the colony at the time it was executed. Now the letter of hypothecation was executed on 31st March, 1884, and at Shanghai, although the schedule was not inserted till a year or more later. Executed in 1884, out of the colony, it did not at that time require to be stamped and, if its reception in evidence in Hongkong and its registration, in 1891, were forbidden without its being stamped, this could only be so because of section 9 of 16 of 1886. That section only applies to documents "liable to stamp duty under that Ordinance." But the document in question could only be liable to stamp duty under that Ordinance if section 8 applied to it (the section relating to documents executed out of the colony.) Assuming, as I do, section 8 to apply to a document executed so long before, what is the result? It becomes liable to stamp duty "when registered." I take it that means not *before* registration, but immediately after registration. It seems to follow that it can be registered without a stamp, because until registered it is not liable to stamp duty under Ordinance 16 of 1886, but that it cannot be given in evidence after registration without stamp, unless the Judge, under section 10, allows stamping after execution on payment of a penalty. This is what he did and the penalty has been paid. Whether I am right or wrong in my view of the Stamp law, I am not aware of any express power to set aside the registration which was completed by the Land Officer, nor do I think in the circumstances this ought to be done. Neither do I think, after what has occurred, the objection to the reception of the document in evidence can, in the circumstances, be allowed. I have not forgotten that the learned counsel for the appellants asked the Court to bear in mind that even if, what he called, the badges or marks of fraud were not, individually, sufficiently convincing, yet that, when considered in combination, their strength was most ample to show the impugned documents were fraudulent and void. I can only say that even in

combination they do not suffice to make me come to that conclusion. The most important allegations of the petition, the heavy indebtedness to the plaintiffs and others at the time the letter of hypothecation was given and the absence of any indebtedness to Howqua, were not supported by proof. I have held the letter to have been given by a solvent firm for valuable consideration. The exact amount of that consideration does not seem very material according to some of the authorities cited; but valuable consideration being established I do not think the other matters relied on by the plaintiffs are necessarily inconsistent with honesty. I, however, regret that more evidence was not given so as to clear up certain matters which may fairly give rise to some suspicion and doubt in these transactions. I now pass to the consideration of the deed poll or declaration of trust of 18th June, 1891. The defendants' counsel urged that this was made simply to put in evidence and on record what was the fact, namely, that J. Murray Forbes held the lots therein mentioned, as trustee for Howqua, to secure the debt of Taels 258,000 and interest at 7 per cent. As the document was not put in evidence I suppose I can only gather its contents from the pleadings and admissions of counsel in their arguments. The plaintiffs urged it was fraudulent and false and made for the purpose of defeating and delaying creditors. The plaintiffs, however, called no member of the Howqua family nor any other witness to show that, in June, 1891, the firm did not owe Howqua the sum mentioned, directly or indirectly through his trustee, J. Murray Forbes, or both together. They did not call Wheeler, though Howell Forbes spoke of the account having been transferred to Shanghai. No endorsements of partial payments appear on the note itself, in spite of the memorandum I have quoted. Why am I to assume, therefore, in the absence of evidence, that this document is false and fraudulent because the plaintiffs allege it to be so in the petition, and why did they not ask Wheeler and Howell Forbes about lots 718 and 720 if their insertion instead of the Rose Hill property is regarded by the plaintiffs as a badge of fraud? These lots formerly held by J. Murray Forbes as trustee for the firm were surrendered and a new lease granted to him in his own name in May, 1888, the month before the assignment of the Rose Hill lots. The declaration of trust was registered before the plaintiffs began their actions, and, in my opinion, it is entitled to priority over the judgments obtained by them. The question has been argued with regard solely to the statute of Elizabeth and the Court has not been asked to look at the matter from the standpoint of the Bankruptcy laws or give a decision from that point of view. A great many cases were cited by counsel, nearly all of which were very good authorities with reference to the circumstances under which they were decided. Most of them are mentioned in the judgment appealed from. The great majority related to voluntary settlements and not to those for valuable consideration. The law is well settled and indeed is scarcely disputed, and I see no occasion to discuss and criticise the cases referred to. In the result, the plaintiffs have not, in my opinion, discharged the difficult task they undertook, with full knowledge of Howell Forbes's evidence. The onus of proving the impugned documents to be fraudulent within the statute of Elizabeth lay upon them. I should have been glad to have had more evidence given as to some matters which are not so clear as they might have been made, but, upon the evidence before the Court, I hold the plaintiffs have failed to prove that the impugned documents and transactions are inconsistent with honesty and fair dealing, that they have failed to prove to my satisfaction that the impugned documents were made with intent to defraud, defeat, or hinder creditors, and I agree with the Judge from whom this appeal is made that the letter of hypothecation (as it has been called by the parties) and the deed poll are not proved to be fraudulent within the meaning of the Statute 13 Elizabeth cap 5. Although asked by the plaintiffs' counsel I do not see my way to make any special order with regard to Inland Lots 718 and 720. They are included in the deed poll which was not proved fraudulent. In the result the appeal must be dismissed with costs.

The Acting Puisne Judge (Mr. Sercombe Smith) said:—The appellants in this case are judgment creditors of the late firm of Russell and

Co., trading in Hongkong, amongst other places, as merchants. On proceeding to levy execution upon certain leaseholds in this colony alleged to be the property of their judgment debtors, the appellant Banks discovered that at least two incumbrances had been registered in the local Land Office against such property. The first and chief incumbrance was in the nature of a so-called letter of hypothecation charging certain property and shares in Hongkong and China as collateral security for a debt guaranteed by a promissory note. In an action before Ackroyd Acting Chief Justice, it was sought *inter alia* to have this letter of hypothecation set aside as being fraudulent and void against the plaintiffs, judgment creditors. Judgment went for the defendants, the present respondents, and it is against that decision that this appeal has been brought. The appellants do not seek to dispute the law as laid down by the Judge in the Court below, except on the one point as to whether it was necessary that debts should have been shown to have existed at the time of making the letter of hypothecation, but consider that certain of his inferences from facts proved or admitted were erroneous, more especially the inference that the letter in question was the result of a *bona fide* transaction. Amongst the allegations contained in the appellants' petition were some to the effect that at the date of the making of the letter of hypothecation Russell and Co. were indebted to the appellant Banks, were not indebted to Howqua, and were about to engage in a hazardous enterprise by taking over the fleet and property of the China Merchants Steam Navigation Company. These allegations, which formed the main ground of appellants' prayer to have certain registered incumbrances set aside as void and fraudulent, proved unfounded and have been abandoned. Not being able to show their indebtedness to the appellants and discharging the contentions that Russell and Co. were not then indebted to Howqua and were about to enter upon a rash speculation, appellants were driven to more particularly scrutinise the document itself and the circumstances accompanying its inception for marks of *mala fides*. This briefly is how matters stood at the time of this appeal, and it is the duty of this Court to decide whether *mala fides* on the part of Russell and Co. has been shown. The statute within which appellants ask to bring the documents which they allege are fraudulent and void against them is 13 Eliz. c. 5. A conveyance, to be affected by that Act, must be shown to be feigned, covinous, and fraudulent, and made with an intent to delay, hinder, or defraud creditors. The 6th section of the Act provides, however, that the Act shall not extend to any conveyance upon good consideration and *bona fide* to any person not having at the time of such conveyance any manner of notice or knowledge of such covin, fraud, or collusion. A conveyance therefore cannot be invalidated by this Act if there has been a *bona fide* purchaser. In *re Johnson*, L.R. 20 Ch. D. 392. In the present case it is now admitted, and has been found by the Court below, that valuable consideration for the making of the letter of hypothecation existed. The effect on any document of its having been made for valuable consideration is very great, because the fact that there is valuable consideration shows at once that there may be purposes in the transaction other than the defeating or delaying of creditors and renders the case therefore of those who contest the deed more difficult (see *In re Johnson*, L.R. 20 Ch. D. 393). Again, "those who undertake to impeach for *mala fides* a deed which has been executed for valuable consideration have a task of great difficulty to discharge" (*Harman v. Richards* 10 Hare 89). In *Thompson v. Webster* (4 Drew, 628, at p. 632), which has been quoted with approval in the recent case of *Godfrey v. Poole* (L.R. 13 App. Cases at p. 503) *Kudersby, V.-C.*, said with regard to the general principle of 13 Eliz. c. 5, "The principle now established is this. The language of the Act being that any conveyance of property is void against creditors if it is made with intent to defeat, hinder, or delay creditors, the Court is to decide in each particular case whether on all the circumstances it can come to the conclusion that the intention of the settlor in making the settlement was to defeat, hinder, or delay his creditors." There is no doubt that where valuable consideration exists, an actual and express intention to defeat, hinder, or delay creditors must be demon-

strated. The authority for this is in the judgment of Giffard, L. J., in *Freeman v. Pope* (L. R. 5 Ch. 538), where he says, "I do not think that the Vice-Chancellor need have felt any difficulty about the case of *Spirett v. Willows*, but he seems to have considered that in order to defeat a voluntary settlement there must be proof of an actual and express intent to defeat creditors. That, however, is not so. There is one class of cases no doubt in which an actual and express intent is necessary to be proved, that is, in such cases as *Holmes v. Penny and Lloyd v. Attwood*, where the instruments sought to be set aside were founded as valuable consideration; but where the settlement is voluntary, then the intent may be inferred in a variety of ways." I take the gist of this quotation to be that, in order to defeat a voluntary settlement, an intent to defeat may be inferred in various ways, but that, in order to defeat a settlement for value, an actual and express intent must be proved. Counsel for appellants admitted that the proof of "actual" intent was a *sine qua non*, but averred that the intentions of Russell and Co. were to be deduced from the ordinary, natural, and necessary consequences of their acts. As to this contention compare the remarks of Fry, J., in *In re Johnson* (L. R. 20 Ch. D. at p. 396), where he says, "Then it is said, and said truly, that a person must generally be taken to intend the result of his acts. That is often, but by no means always, true, because, although no doubt the immediate and main result of our acts must be the object of our intention, there are many collateral results of acts which are not only not objects of our intention, but against our wish." Again, *In ex parte Mercer* (L.R. 17 Q.B.D. 290), *Grantam, J.*, at p. 295, says, "When learned judges have said that if the necessary result of a settlement is to hinder creditors, it must be taken to have been executed with that intent, this observation must be taken as applied to the character of the particular case in which it was made. In all the cases which have been referred to the settlor had considerable debts or liabilities.

In all the cases which have been cited the facts themselves suggested an intention (if not an actual fraudulent intention) to hinder creditors." In this same case Lord Esher, M.R., says "The argument was first put in this way—it is necessary to prove that the bankrupt, at the date of the voluntary settlement, intended to defeat and delay a creditor or his creditors generally; the necessary consequence of what he did was to defeat and delay his creditors; and, therefore, as a proposition of law, the tribunal which had to consider whether he did intend to defeat and delay his creditors was bound to find that he did. In support of that proposition dicta of great and eminent judges were cited. I will venture to say, as strongly as I can, that to my mind that proposition is monstrous. It is said that it is a necessary inference that a man intends the natural and necessary result of his acts. Of course, if there was nothing to the contrary, you would come to the conclusion that the man did intend the necessary result of his acts. But, if other circumstances make you believe that the man did not intend to do that which you are asked to find that he did intend, to say that, because that was the necessary result of what he did, you must find contrary to the other evidence that he did actually intend to do it, is to ask one to find that to be a fact which one really believes to be untrue in fact." These remarks of *Grantam, J.*, and the present M.R. concerned a case of voluntary settlement and therefore have a *fortiori* application to cases of settlement for value where an "actual and express" intent has to be proved. I cannot therefore accept as general the proposition on this point enunciated by appellants' counsel. Before examining the letter of hypothecation itself, the facts of the case, and the nature of the transaction, and before discussing the badges of fraud, I wish to clear the way by settling at what time it is necessary that a fraudulent intention should be shown to have existed. At p. 15 of the second edition of *May on "Fraudulent and Voluntary Dispositions of Property"* occurs the following:—"Whether a disposition of property is void as to creditors under the statute 13 Eliz. c. 5, the state of circumstances at the time the conveyance is executed must be regarded." The authorities for this are *In re Robinson* (L. R. 20 Ch. D. pp. 394, 395), where Fry, J., says, "It is important to inquire what was the indebtedness of Mrs.

Johnson when she executed the deed," and "that was the state of things when this instrument was executed," and *In re Maddener* (L. R. 27 Ch. D. p. 531), where Baggally, L.J., says, "We can only look to the state of things at the time when the deed was executed." I now pass to consider the nature of the document which has been called a letter of hypothecation, the circumstances under which it was made, and the marks of fraud which appellants contend the document and its environment furnish. A promissory note in the following form was made.—

Taels 258,000.00

Shanghai, 31st March, 1884.

On demand we promise to pay to John Murray Forbes, Jr., trustee for Howqua, or order, the sum of two hundred and fifty-eight thousand taels Shanghai sycee, for value received.

Russell and Co.

Note.

Interest on the above to be paid at the rate of seven per centum per annum. All partial payments on above note to be endorsed on same and interest payable on balances.

R. & Co.

As to this note there is the following evidence of W. H. Forbes:—"The promissory note was written there (i.e. on the document) and signed at that time (i.e. March, 1884)." The note purports to be made on account of a debt due from Russell and Co. to J. M. Forbes as trustee for Howqua, i.e., on account of money advanced out of trust funds held by J. M. Forbes for Howqua. On the first side of the paper on which the promissory note was made is inscribed a letter of hypothecation, of which the operative portion reads as follows:—

To John Murray Forbes, Jr., trustee for Howqua. Shanghai.

We hereby acknowledge to have deposited with you the documents and securities for property or money hereunder mentioned as collateral security for the payment of our promissory note to you dated this thirty-first day of March, 1884, for the sum of taels two hundred and fifty-eight thousand Shanghai currency and interest thereon according to the rate of taels seven per cent. charged by you and in case we shall make default in paying the said sum of taels two hundred and fifty-eight thousand to you according to the tenor of our said promissory note. [There follows a power of sale without reference to the firm].

* * * * *

Russell & Co.

Shanghai, 31st March, 1884.

I have experienced great difficulty in arriving at a conclusion respecting the composition of the sum of 258,000 taels. The evidence of Mr. W. H. Forbes is too indistinct to make any conclusion certain, but perhaps the interpretation which most nearly reconciles the evidence as a whole is that adopted by the Court below, when it found that the 258,000 taels represented trust money to the extent of 57,000 taels and an old debt of 101,000 taels. The evidence, however, at least discloses that this sum of 258,000 taels was a past debt. The state of things, then, is this—that on the 31st March, 1884, a promissory note for an existing debt was made by Russell and Co. to J. M. Forbes as trustee for Howqua and that by an instrument purporting to be of even date, collateral security for the payment of this promissory note was given. On the face of it, therefore, there is nothing suspicious in the transaction. But it has been urged against the promissory note that the consideration was past and falsely stated to be 258,000 taels instead of 157,000 taels. The answer to the first objection is that even a pre-existing debt is a good and valuable consideration; the answer to the second objection is furnished by reviewing the then and past relations between Russell and Co., Howqua, and J. M. Forbes as set forth in W. H. Forbes's evidence. The explanation seems to be that a debt of 101,000 taels was due to Howqua personally and a debt of 158,000 taels was due to the trustee of Howqua, and that when security was taken by the trustee, there was added to the trust money the personal debt and the two amounts were lumped together in a promissory note, which could not have been made to J. M. Forbes except as in his capacity of trustee. I shall here interpolate an account of that which I consider to be the relation between the so-called letter of hypothecation, the deed of trust,

and the declaration of trust. The first instrument relates to a sum of 258,000 taels (which has already been remarked on) and is between Russell and Co. and Howqua's trustee; the second instrument relates *inter alia* to a sum of 157,000 taels invested with Russell and Co., is between Howqua and his trustee, and, naturally, as between such parties, only refers to the trust moneys lent out; the third instrument was, so far as can be gathered, executed by the attorney of Howqua's trustee, who, being in possession of the letter of hypothecation which on the face of it made the trust moneys advanced appear to be 258,000 taels, declared a trust for the sum of 258,000 taels. If the matter is looked at in this way, there is at once provided a reasonable explanation of the numerical variances. To the letter of hypothecation itself certain objections distinct from the usual badges of fraud were raised, such as the incompleteness of the document by the omission of the schedule and its consequent invalidity as a security. There is no doubt that the schedule was not filled in either on 31st March, 1884, or during 1884; but it is certain that it was annexed before 17th February, 1886. The letter in its inchoate state vested in Russell and Co. a *de facto* power of revocation and also a power of inserting a schedule at any moment to the discomfiture of creditors. I am asked to infer from this that there existed an intention to reserve to Russell and Co. powers of revocation and opportune schedule making. I decline to draw the inference, because the collection of materials for the schedule was not a work of a few days merely, because, as a fact, the schedule was filled in before an ascertained date and the power of revocation thereby annulled, and because it is unreasonable to place the worst interpretation upon a state of affairs not proved to be incompatible with *bona fides*: in short, where is the actual and express intent? The validity of the letter as a security cannot be successfully impeached solely because the letter was antedated. Next, as to the fraud alleged to stigmatize the transaction and which it was sought to prove by alleging (1) generality of the settlement, (2) continuance in possession, and (3) secrecy or concealment. These marks I will examine, bearing in mind that actual and express intent is requisite to be proved and that it is unreasonable, where there is more than one interpretation, to seize upon that interpretation which is most damaging. On the score of generality, the worst that can be urged against this instrument is that it charges all the property of Russell and Co. in China and Hongkong, except inland lots 718-720 and current moneys. Considering that Russell and Co. were trading in New York and London as well as in China and Hongkong, it is not clear how generality of assignment has been substantiated; and if it were substantiated, I do not think that it would affect the question. Compare what Thesiger, L.J., says in *Ex parte Games* (L.R. 12 Ch. D. 314). "The only remaining point is whether the deed, not being available as an act of bankruptcy for any purpose, is void under the statute of Elizabeth. We may, I think, put aside for this purpose the fact that it is an assignment of the whole of the grantor's property, present and future. For, in *Alton v. Harrison*, Lord Justice Giffard said, 'I have no hesitation in saying that it makes no difference in regard to the statute of Elizabeth whether the deed deals with the whole or only a part of the grantor's property. If the deed is *bona fide*—that is, if it is not a mere cloak for retaining a benefit to the grantor—it is a good deed under the statute of Elizabeth.'" In connection with continuance in possession, the nature of the property is the chief point to be considered. In this case the Hongkong property charged consisted of leaseholds and of shares, both being forms of personal property. The retention of personal property is *prima facie* a badge of fraud. Is there anything in the circumstances of this case to rebut that presumption? A portion of the personal property charged, to wit the shares, was not retained but was handed over to the trustee's attorney in Shanghai. This affords proof of *bona fides* with regard to one portion of the charged property. Was there any reason why, consistently with *bona fides*, the other portion should be differently dealt with? I think that there was. It was more appropriate and business-like that the deeds of title to Hongkong leaseholds should remain in Hongkong; physical custody could not conveniently be given to either the trustee

or his attorney, who were both out of the colony; and the evidence shows that the deeds were constructively in the possession of the trustee, for whom they were kept in Hongkong by W. H. Forbes. The next alleged mark of fraud was the secrecy of the transaction, which it was sought to construe into active concealment: but *aluid est tacere aluid celare*. If the secrecy observed was *malâ fide*, it must have been observed for the purpose of defeating existing or future creditors. No creditors have been shown to have existed on 31st March, 1884; therefore the secrecy maintained was not in order to defeat such creditors. If the observance of secrecy was for the purpose of defeating future creditors, the parties must have anticipated having future creditors. If future creditors had been anticipated, the advantage of priority to be gained by registration could hardly have escaped the attention of the parties and immediate registration would probably have been effected in order to secure priority to Howqua. But it was urged that non-registration gave the firm a fictitious credit. That was quite possible. Because, however the result might have been to enhance the credit of the firm, it does not follow that, by not registering, the firm had that result in view. If creditors had not been anticipated, non-registration could not have been for the purpose of defeating creditors: if creditors had been anticipated, registration would have been the politic and non-registration the impolitic course to pursue. My conclusion, therefore, with respect to the letter of hypothecation is that the instrument was executed in good faith, that it was an honest transaction, and made without any intention to defraud or delay creditors. As regards the validity or otherwise of the registration of this document, I am of opinion that the registration was valid. Section 8 of Ordinance No. 16 of 1886 provides that all documents whatever executed out of the colony hall, when registered within the colony, be liable to the same rates of stamp duty as if they had been executed within the colony. The crucial words are, "when registered within the colony," which, in my judgment, mean "after registration within the colony has been effected." Liability to stamp duty therefore attached to the document after it had been registered and stamping was not a condition precedent to registration. The other document which the appellants prayed to have set aside and declared fraudulent and void as against them was a deed poll or declaration of trust dated the 18th June, 1891. Not a scintilla of evidence exists to prove that that document was fraudulently made: indeed I cannot recall a single cogent argument that was advanced in support of the charge of fraud. All that the Court was asked to do was to declare that, as defendants had shown no title to inland lots 718 and 720, the appellants were entitled to possession of them under their writs of execution and to an order on Messrs. Creasy, Evans and Ng Chow-fong directing them to take the necessary steps and to execute the necessary documents to have the documents registered against these two lots removed from the register. An incumbrance stands duly registered against these two lots and until the instrument creating that incumbrance is shown to be fraudulent, I see no grounds for setting it aside. The lots included in the document styled a letter of hypothecation were inland lots 83, 148, 578, 721 and Marine lots 202, 203, 205. The lots included in the declaration of trust were inland lots 83, 718, 720, 721 and Marine lots 202, 203. It will be observed that, in the later document, inland lots 148, 578 and Marine lot 225 have dropped out and in their place appear inland lots 718 and 720. Both documents relate to the same amount, viz., Tls. 258,000. The two lots 148 and 578 were assigned to W. H. Forbes by Murray Forbes on 5th June, 1888, and lot 225 was sold to Ewen Cameron on 17th February, 1886. According to the terms of the promissory note the proceeds of these dealings if paid towards reducing the principal of or interest on the promissory note should have been indorsed on the note. It is clear that no such indorsements were made. Is there any explanation of this? I think the explanation may very likely be that inland lots 718 and 720 were substituted for the lots that had fallen out: there is no evidence that this is the case, but the explanation seems to me to be not unreasonable. As regards the deed of trust of 11th January, 1886, I

shall only observe that it is not inconsistent with the letter of hypothecation, that the reference in the schedule to property in Hongkong and China must be construed to embrace the leaseholds in Hongkong as well as the share securities, and that this document furnishes no evidence to show that the instrument of the 31st March, 1884, was not executed *bona fide*. In the result, this appeal stands dismissed with costs.

3rd July.

IN ORIGINAL JURISDICTION.

BEFORE THE HON. W. M. GOODMAN
(ACTING CHIEF JUSTICE).

HONG YING CHOI AND OTHERS v. LEONG
CHOW SHI AND OTHERS.

This was a claim for three years' rent in respect of premises at No. 133, Praya West, and Sai Woo Lane. Mr. Pollock appeared for plaintiffs. The lease in respect of No. 133, Praya West was put in and by this plaintiffs were entitled to \$75 per month as rent for the premises. The lease respecting the shop at Sai Woo Lane could not be produced by the defendant, although notice to produce had been served. The rent for the premises in Sai Woo Lane was \$25 per month.

His Lordship gave judgment for plaintiffs for the rent up to the day of judgment and allowed costs.

CHAN WAN CHI AND OTHERS v. PAM
CHEUK TING.

Mr. Robinson appeared for the plaintiffs. This was an action in which six out of seven Chinese (one having since died) sought to dissolve partnership with the defendant as from the issue of the writ, also that a receiver be appointed and that judgment be given for the amount, if any, which may be found owing by the defendant.

In opening the case Mr. Robinson said that in 1884 the plaintiffs formed a partnership with the defendant for the purpose of carrying on a bakery business at No. 12, Peel Street. The capital was placed at \$1,000, divided into \$100 shares, which capital was afterwards increased to \$1,700.

The defendant pleaded that he commenced the bakery business in 1884 and carried it on alone, the plaintiffs lending him money to start with. In answer to his Lordship, however, he said that the plaintiffs received a share of the profits of the business annually.

The accountant was called and stated that the business was divided among the plaintiffs, in addition to which they received interest for their capital in the concern.

Defendant went into the box and stated that he received a salary of \$40 a month for managing the business. He contradicted the statement made by the witnesses for the plaintiffs that the profits were distributed among the plaintiffs, but said they received interest on the money which they had in the business.

No witnesses were called for the defence.

His Lordship said he was of opinion that a partnership did exist, and that as far as he could see defendant had been "dodging" and cheating his co-partners. He should order a dissolution of the partnership and have a receiver appointed and the accounts would be examined by the Registrar and a report made to him (his Lordship).

5th July.

IN SUMMARY JURISDICTION.

BEFORE MR. T. SERCOMBE SMITH (ACTING
PUISNE JUDGE).

TOONG LUNG v. REUTER, BROCKELMANN & CO.
The hearing of this action was resumed. The plaintiff sued the defendants for \$560.41, money paid by plaintiff to defendants in respect of 100 cases of matches; in the alternative plaintiff claimed delivery of the cases.

Mr. Dennys appeared for the plaintiff and Mr. Hastings for the defendants.

The whole point in the case was whether plaintiff entered into two contracts with the defendants—one in his own name, and the other in the name of Woh Kee. Another witness was called for the defence, and counsel on both sides addressed the Court.

His Lordship gave judgment for defendants, with costs.

3rd July.

SIEMSEN AND CO. v. HIM KEE.

An action was brought by Messrs. Siemssen and Co. against the Him Kee shop. The claim was for the difference in value between the sale price and the market price of the day on 41 piculs of camphor, and for other expenses arising out of an alleged breach of contract. The plaintiffs gave defendants credit for \$696.17 which plaintiffs had in their hands, and claimed a balance of \$698.83.

Mr. Ellis (of Mr. V. H. Deacon's office) appeared for the plaintiffs, and Mr. Dennys for the defendants.

The case for the plaintiffs was opened last week, when it was stated that the real point at issue was whether it was the custom to sell camphor at so many lbs. to the case. Witnesses for the plaintiffs said that the custom was that a box of camphor was to weigh about a picul, whereas the camphor supplied to the plaintiffs was considerably under the recognised weight. For the defendants witness were called yesterday.

Kaw Hong Take, manager of the Him Kee shop, said he entered into the contract for the supply of the camphor in accordance with the regulations of the Nam Pak Hong, which consisted of Chinese firms trading between Hongkong and other ports, and its regulations, which were printed, were similar to very old established Chinese customs. Until the first day of the trial he had not seen them.

Mr. Ellis—And yet you say that the regulations you had not seen govern the contracts you entered into?—Witness—Well, those are the rules.

Witness, continuing, said he could not read Chinese. The words "European custom" were, he believed, always put on camphor contracts.

Mr. Ellis read one of the regulations—"When goods are being weighed in the scale sellers should personally witness what the weights are, and both sides must mark them down in order to prevent any mistake. When finished weighing, and when the marks have already been examined, the goods are at the risk and at the charge of the purchaser," and asked whether anyone attended the weighing of the cases. Witness said no, and Mr. Ellis replied, "Then you yourself have broken the regulations which you say should have governed this contract."

Further cross-examined, witness said the order was for 200 boxes of Formosa camphor at \$55 per 100 catties. The weight of the cases was never mentioned in the contracts; sometimes there was more weight in some cases than in others. There was no fixed rate; one hundred cases weighed about 83 piculs, and witness had not known of those cases being declined because they did not weigh 93 piculs. Witness had a dispute with Messrs. Sander and Co., who would not accept 81 or 82 catties because they said it was not the weight they contracted to buy. The big dealers in camphor in this port were seven or eight German firms and one English firm.

Mr. Ellis—When you say there is only one English firm you forget Messrs. Shewan and Co.

Witness—Mr. Shewan is an American.

Mr. Ellis—Mr. Shewan is an Englishman.

Witness—I thought he was an American. I am sorry if I have made a mistake.

Witness further stated that he entered into the contract as an agent for a Chinese firm in Amoy. He did not tell the plaintiffs what the terms of contract were. The camphor arrived here on 24th May. It came direct from Formosa, and had never been to Java.

Mr. Ellis—Let me ask you more questions about the Nam Pak Hong. Does it consist of all the merchants in Hongkong?

Witness—All the merchants who care to belong to it.

Does very merchant belong to it?

I cannot tell.

What is the object of the Hong?

air dealings.

Do the members act as a sort of Arbitration Court.

Well, there is no Arbitration Court at all. They settle disputes amongst themselves.

Are you a member?

I am not.

And yet you introduce their regulations into your contract?

That is the rule in selling and buying.

Wong Ning, godown keeper, said that when the cases arrived they were all sound with the

exception of one, and while they were in the godown they were not tampered with in any way. They were delivered on 27th May in a sound condition.

Other witnesses were called who said that the regulations of the Nam Pak Hong were always accepted in camphor contracts, and it was never the custom to have a certain weight of camphor in each case.

Mr. Dennys addressed his Lordship, and commented upon the fact that none of the plaintiff's witnesses had agreed about what the custom in Hongkong was. But, apart from that, the plaintiffs, in taking delivery of the goods after carefully weighing them, had lost all claim in respect of any custom. The plaintiffs, he contended, had not clearly, cogently, and irresistibly proved that the custom of having so much weight of camphor in a case existed in the colony.

Mr. Ellis commented upon the fact that only one portion of the Nam Pak regulations had been translated, and said there was absolutely nothing in the clause which he had read that showed the plaintiffs had waived all rights to an action. But he submitted that the Nam Pak regulations had nothing whatever to do with the case, as the words "European custom" had been written on the contract, and his witnesses had sufficiently proved that the recognised weight of camphor was about a picul to a case. He asked his Lordship to give judgment for the plaintiffs, whose witnesses were to be relied upon absolutely.

Judgment reserved.

8th July.

His Lordship delivered judgment as follows—This is an action for \$609.83 by Messrs. Siemssen & Co. against the Him Kee firm for damages for breach of contract in connection with an alleged short delivery of 41 piculs of camphor. A cross action was brought by the Him Kee firm, claiming \$696.17 balance of the price of goods sold and delivered. The contract dated 2nd May, 1895, was in Chinese, of which the translation runs thus:—

Siemssen, respectable firm, has bought, — broker, 200 boxes Formosa Camphor at \$55 per 100 catties. European Custom. It is expressly agreed that complete delivery is to be taken in 5 weeks, the time allowed according to the Nam Pak Hong regulations.

8th day, 4th moon, Ut Mi year Kwong Sui (2nd May, 1895). Note issued by Him Kee (chop) for sale of goods.

Under this contract the time for delivery would have matured on 6th June, but an arrangement was made by which delivery was to be taken on 27th May. The 200 cases delivered contained 149 piculs of camphor. The plaintiffs allege that, according to the usage of the trade in Hongkong, the cases should have contained 190 piculs. The question for the Court to decide is—what is the meaning of a "case" of camphor? Many witnesses were brought by plaintiffs to give evidence as to the average weight of a case of camphor. Mr. Brodersen said: "Contracts for camphor are by case and not by weight. . . . Lightest weights I've purchased are 98 piculs per 100 cases. Can't say if I've bought at 89 piculs. . . . I consider I am contracting at 90 to 100 piculs per 100 cases. If I had accepted 89 piculs, I might have recovered the difference: the whole contract may have averaged proper weight." Mr. Michelau said: "Always sign contracts for cases, not piculs. I expect 95 to 100 piculs per 100 cases: that is the custom. . . . Quite unprecedented weights would be 75, 80, 90 piculs per 100 cases. Two days ago I had 100 cases weighing 108 piculs. I should refuse to accept anything under 85 or 90 piculs. I should refuse 65 catty cases, however old camphor was. The custom of port is that a case must contain about a picul net. Under ordinary circumstances I should expect about a picul a case, between 90 and 100 catties. Always between 95 and 100 catties." Mr. Goetz said: "Take contracts for so many boxes, not piculs. For 100 cases I should expect to get about 95 piculs, according to custom of port. Had transactions with Him Kee: contracts with them have been for cases: have delivered up to about 95 catties a case: never delivered or offered to deliver any below 90 catties. Never bought at 85 catties a case from Him Kee on 6th October, 1893. I don't remember if I did or not. Must refer to books. On 27th March, 1895, might have bought 50 cases from Kwong Wo-shing at 70 catties. Lightest

case I've ever known is about 88 catties, about 3 weeks ago. When I buy camphor I expect to get 95 catties a case; 88 and 108 catties are exceptional. I would not say the meaning of a case fluctuates from 88 to 108 catties. I would not refuse a case at 88 catties, according to custom of port." Mr. Shewan said: "I contract to buy cases, not piculs. For 100 cases I expect 100 piculs by custom of port; custom is about 100 piculs; slight variations. I think variations between 85 and 108 are too large. Never known under 90 catties a case. I should object to more than 10 per cent. deficiency." Mr. Fuhrmann said: "I purchase by the case. For 100 cases I expect 90 to 105 piculs. Custom is over 90. In special cases may have been 85 or 86. Have received cases between 105 and 110 catties." On behalf of the defendant firm Mr. Kau Hong-take said: Don't know any custom that boxes should weigh a particular weight. The weights at which I have delivered vary from 75 to 100 catties a box. Sometimes, but seldom, over 100 catties. Have delivered camphor to Carlowitz & Co. I remember delivering 100 cases at 88 catties. On 8th June, 1895, I sold to Messrs. Bradley & Co. 50 cases and 50 cases to Arnold, Karberg and Co.; both firms gave delivery orders in favour of Carlowitz. I delivered to Carlowitz: the average was catties 83.2.1.6 a case. I sold to Wing Sui 50 cases at 75 catties I think: Wing Sui gave delivery order in favour of Arnold, Karberg, who took delivery from me: that was 25th May, 1895. When I made contract I did not mean box of any particular weight. There is no fixed weight for camphor cases. I have known 30 or 40 catty cases delivered. Weight varies from 70 to 95 or 100 catties. I did not take back the 83 catty cases from Carlowitz. There was a dispute about another 100 cases. In this instance the weight was about 89 or 86 catties: Carlowitz refused to take delivery: we gave two cases more to avoid trouble. Had a dispute with Sander & Co., who would not accept 81 or 82, because it was not weight they had contracted for. Contract was same as in this case: no weight given. We sold 50 cases each to Arnold, Karberg & Co. and Bradley & Co. These were passed to Carlowitz & Co. by delivery orders: weight was 83 catties. Carlowitz did not demur. Bradley & Co. made no complaint." Mr. Ng Li-hing said "When I buy or sell camphor, I buy or sell by the case. Camphor is paid for by weight. No regulations as to what a case shall weigh. No fixed weight: it is according to weight as it comes from N. or S. Formosa. Never had any cases objected to because of their weight." Mr. Fung Man-yak said: "I sell about 200 cases a month. Weights vary from 70 odd to 90 odd. Highest is 96 catties. Lowest is 76 catties. On 16th May I sold, and delivered on 25th May, 50 cases. They weighed 38 piculs. I delivered them to Arnold, Karberg & Co. Nothing was said about it and money was paid in full. In selling camphor don't say each case contains so many catties." This completes the evidence as to the usage of the trade on both sides. Now a usage of trade in order to be read into a contract must be reasonable, certain, and general, and "if a party seeks to make out that certain words used in a contract have a different acceptation from their ordinary sense either for the purposes of trade, or within a certain market or a particular country, he must prove it; not by calling witnesses, some of whom say it is one way and some the other, and then leaving it to the jury to say which they believe, but by clear, distinct, and irresistible evidence." *Carter v. Crick*, 4 Hurlstone and Norman, at page 417. The evidence adduced does not satisfy me that a certain and general usage affixing a specific weight to a "case" or "box" of camphor has been clearly, distinctly, and irresistibly established. Judgment is therefore for defendant with costs in suit 866 and for plaintiff with costs in suit 800.

Wa (*Kobe Chronicle*) learn from Japanese contemporaries that the transport *Moji-maru* (formerly the O.S.S. *Hector*) collided with the transport *Toyo-maru* (late *Zambesi*), off Moji yesterday afternoon (28th June). The *Moji-maru* was so seriously damaged that she appeared in danger of sinking. The telegram was dispatched at 6:55 p.m., at which time it was said several vessels were proceeding to the assistance of the *Moji-maru*.

THE SQUATTERS AT EAST POINT.

Mr. Hastings again appeared before the Magistrate on Friday on behalf of Messrs. Jardine, Matheson & Co. for the purpose of arguing as to whether the Magistrate had power to proceed under the Act 1 & 2 Vict. c. 74, to grant warrants for ejectment of the squatters. Mr. Hastings quoted various authorities in support of this contention.

His Worship said he had decided to refer the matter to the Government for their opinion as to whether he had the requisite powers and on receipt of their reply he would communicate his decision to Mr. Hastings.

THE BAILIFF AND THE BILL COLLECTOR.

At the Police Court on Friday, before Hon. H. E. Wodehouse, a bill collector summoned Mr. F. Howell, bailiff at the Supreme Court, for assault.

The complainant said that on the 3rd inst. at 3.30 p.m. he went to the Supreme Court to collect some money, when defendant went up to him and struck him on the nose, causing it to bleed.

In answer to the defendant complainant said he did not make a noise; he was not ordered downstairs, but was kicked down.

Mr. Howell, in defence, said the complainant made a great noise, and shouted for Mr. Silas. He was told to be quiet, but he persisted in making a disturbance and the interpreter requested him (defendant) to put the complainant out. He then caught hold of defendant and put him out by force.

The Magistrate said that both the complainant and defendant were in the wrong, and asked defendant to apologise.

Defendant said he would not.

The case was adjourned until Friday, the 13th inst.

THE INCENDIARISM AT YAUMATI.

At the Police Court on Friday, before Hon. H. E. Wodehouse, Chan U, Chan U, Li San, and Chan Pak were charged with feloniously setting fire to a match at Ho-mun-tin, near Yaumati, with intent to commit murder at midnight on 30th ult.

Mak Tai said: I am a widow residing at 20, Ho-mun-tin, British Kowloon. On the 30th June at 11.3 I was asleep in the cockpit of my house, when I was awakened by the cries of my daughter, aged 11, who was also sleeping in the cockpit. I saw a tin of kerosine on fire at the door of the cockpit. I ran out and shouted, and people came out and extinguished the fire. Afterwards I found another tin of kerosine on the top of a small shed which rests just outside my cockpit. Both tins were full of kerosine and both were open. The oil was on fire, and so was the woodwork of the cockpit. I was not hurt, neither was my daughter. The house is a wooden shed, with a tiled roof, and consists of one room and a cockpit. My daughter and I were the only two occupying the cockpit. The ground floor was occupied by a man named Wong Ling, who assisted to put out the fire. The first defendant is a pig dealer, and lives in the house next to mine; the second defendant is his son; the third defendant is the wife of the first defendant; and the fourth defendant lives at Yaumati. I made a mistake when I said there were only two in the cockpit. Wong Ling was also sleeping there, and he got out first, and I followed, carrying my daughter. When I got to the door of my shed I saw the first defendant standing at the door of his own house. He was wearing a Chinese sun hat, and as part of his house was on fire I asked him to get some water to throw on the flames. He took no notice of me, and did not assist to put out the fire. On the previous afternoon I had seen the third defendant carrying things away from her house. I am not on good terms with her. I had a fight with her on the 24th May, and we have not been good friends since. She accused me of misconducting myself with the first defendant. Last year, for the same reason, she threatened to turn me out. The first defendant had been keeping me in pigs and giving me money, and the third defendant had got to know of it.

Wong Ling has been living with me since 27th June.

Inspector Witchell spoke to going with a party of police to the scene of the fire. In the complainant's shed he found two gallon tins full of kerosine, and they were open at the top. There were also a number of joss sticks and some gunpowder near the tins. In the first defendant's house witnesses found a hatchet which smelt strongly of kerosine, and which it was suggested was used to break open the kerosine tins. There was also a large number of joss sticks, similar to those found in the last witness's house.

The case was remanded.

HONGKONG RIFLE ASSOCIATION.

Twelve members were present to compete for the Long Range Cup on Saturday last. The Cup was won by Capt. Palmer, the first competitor not having entered for it. The spoons were won by Sapper Pritchard, R.E., and Sapper Thompson, R.E. The following were the best scores:—

	700 yds.	800 yds.	H'cap points.	Total.
Sapper Pritchard, R.E.	44	39	5	88
Captain Palmer	38	38	5	81
Sapper Thompson, R.E.	36	33	7	76
W. Stewart	38	24	12	74
Sapper Lawson, R.E.	41	24	8	73

THE BOUNDARY AGREEMENT BETWEEN FRANCE AND CHINA.

The success which has crowned the French efforts to settle a very vexed question with China will probably have been noted in the proper quarters. Until the late Convention was signed France had repeatedly failed to induce the Chinese authorities to discuss the frontier question between Indo-China and Chinese territory. At the date when the excellent map of M. Pavie was compiled only a very small portion of the frontier from Moukai northwards had been delimited and accepted by both powers. And though there was no mention in yesterday's telegram of the entire settlement of the frontier question between France and China a very important and interesting part of the difficulty appears to have already been definitely arranged. Laichau, on the Black river, is a little further south than the frontier line laid down in the Pavie map. But what little has been lost here by the downward sweep of the boundary line has been a hundred fold made good by the accession of territory in the region of the Upper Mekong. Leaving Laichau the boundary line runs abruptly north, enclosing the valleys and sources of the Nam Na, and passing north of the head waters of the Nam Oo, or Hou, follows the mountainous sources of the Nam Ban and Nam Tonh in a series of erratic curves, and finally impinges on the Mekong a little north of Mung Vang. Yunnan thus cuts wedge-like into northern Tonkin, forming an equilateral triangle with its apex at Laichau, and counterbalanced by a similar triangle of French territory running north into Yunnan with its apex at Long-po. From a glance at the map it will thus appear clear that M. Sing, reported to be garrisoned by Indian troops, is entirely within the new French territory, and that part of Chieng Kheng, which state straddles the Mekong, Chieng Sen, and Chieng Kong, are also included in French territory. In other words, all territories on the left bank of the Upper Mekong over which Siam exercised any sort of suzerain rights have been included by the new boundary Convention into French territory. France, England, and China are now neighbours on the Upper Mekong. With China the boundary difficulty has been arranged, and it now remains for France and England to arrange their frontiers in a spirit of fairness and mutual good will. The "Buffer State" theory may be looked upon as exploded; for China, France, and England have absorbed the very territory out of which the "buffer" was to be constructed. And for the sake of the peace of the region in question it is well that it should be so. France and England have no need of semi-savage wedges to keep them from blows. They are civilized people and will resort to civilized methods of settling their quarrels instead of troubling each other through the medium of petty chieftains of a state which, if formed as buffer, would ever be a hot bed of

intrigue and disorder and of great danger to that good feeling which ought to exist between the two acknowledged leading nations of the modern world.—*Siam Free Press*

THE "CHISHIMA"—"RAVENNA" CASE.

Reuter states that the Judicial Committee of the Privy Council has given judgment in favour of Japan with all costs against the Peninsular & Oriental S. N. Co. in the *Chishima* case. That statement without explanation is calculated to convey a wrong impression. The case itself has not yet been brought to trial and the proceedings now concluded by the judgment of the Privy Council relate only to a point of procedure. The Japanese Government brought action against the P. and O. Company in Her Britannic Majesty's Court for Japan in respect of the loss of the torpedo cruiser *Chishima-kan*, which was sunk as a result of a collision with the Company's steamer *Ravenna*. The Company sought to bring a counter-claim, which the Court allowed, on the ground that the Emperor of Japan could not be sued in that Court. Against this decision the Company appealed to the Supreme Court for China and Japan, which reversed the judgment of the Court below and ruled that the counter-claim was in order. Against this decision the Japanese Government appealed to the Privy Council, which has apparently reversed the judgment of the Supreme Court for China and Japan and upheld the judgment of the Court for Japan. The claim of the Japanese Government against the Company will now, presumably, go to trial in the Court for Japan, and the Company, if it still desires to prosecute its claim against the Japanese Government, will have to adopt such measures for that purpose as may be open to it under Japanese law.

CANTON NOTES.

[FROM THE "CHUNG NGOI SAN PO."]

A body of soldiers were sent by the Magistrate of Nam-hoi to search a house in the street of Kaw-ngan-cheng, in the North gate, because it was stated that counterfeit coins were made in the said house. The inmates were all arrested and some moulds for making the counterfeit coins were discovered.

A San-sz named Lau Hok-san, who built the plague hospital, Kim-sin-tong, last year, is being prosecuted by a number of gentry and merchants. The allegation is that he unlawfully took possession of a piece of ground which belonged to the Government for the making of his garden, that he pocketed all the money raised by the monopoly of the Wai-san lottery, and that he forced the common people to do things contrary to their will by influence. The Canton officers are now endeavouring to discover evidence of these things. It is said that Lau Hok-san is now in Canton.

On the 3rd inst. all the sign-board shops were closed and each posted up a notice inviting people to take over the shops. It is said that the guild of sign-board shops has for a long time been involved in a suit with the guild of painting shops and that the Canton officers lately gave judgment for the latter. The former was not satisfied with the decision, so they closed all their shops to go on strike.

On the 2nd inst. a number of junk masters sent a petition to the Canton officers to the effect that their junks were often robbed and they asked the Government for protection and the hunting out of private junks.

On the 2nd inst. a military officer named Chang hired 1,000 soldiers for the permanent protection of Canton. The new recruits were both Canton and Honam people. When the enrolment took place, a fight broke out among the people, because there were several thousand who wanted to be enrolled, whereas the number required was only one thousand. During the fight some people took the opportunity to commit robberies. Some Honam people tried to take away cloth which was spread out for drying not far off. The owners of the cloth stopped them but the Honam people were very cruel. They shot three of the cloth-owners dead and a boy who chanced to pass that way was also killed.

HONGKONG.

Farewell drought; welcome rain. In the earlier part of the week rain fell heavily and the water supply has been restored. On Thursday the Sanitary Board met and decided upon two or three matters directly relating to the health of the colony. A very lengthy judgment was delivered in the Appeal Court on Monday in the Howqua case, and judgment was given, in the Court of Summary Jurisdiction, in a case in which Messrs. Siemens and Co. were the plaintiffs and the Him Kee firm defendants. The issue raised an important point regarding custom in the camphor trade.

Heavy rain fell for some hours on Thursday morning. The quantity registered at the Observatory up to ten o'clock was three inches.

The Hon. J. J. Bell-Irving has been recognised provisionally as in charge of the Hawaiian Consulate-General during the absence of the Hon. J. J. Keswick.

Mr. N. J. Ede took his seat on the Sanitary Board on Thursday on his return to the colony, and has therefore not joined the other unofficial members in resigning.

It is notified in the *Gazette* that the Queen's ex-quo-empowerment Mr. H. H. Kirch to act as Austrian Consul at Hongkong has received Her Majesty's signature.

Considerable changes are impending in the Judicial Department. Sir Fielding Clarke, Chief Justice, is expected in about a fortnight and Mr. Goodman will then resume the Attorney-Generalship, and Mr. Wise will again be Acting Puisne Judge. Meantime the question as to who will succeed Mr. Ackroyd in the substantive post of Puisne Judge is still undecided. Mr. Wise unquestionably has the first claim, as he has so long filled the acting appointment with ability and success. But there are applicants for the post to Downing Street, whose influence there may be more powerful than Mr. Wise's claims through service and experience. Should the latter obtain the post then the Registrarship would fall vacant. For this there are probably several aspirants, among them Mr. H. E. Pollock, who has sat on the Bench as Acting Police-Magistrate and as Acting Puisne Judge. Mr. Sercombe Smith, who has lately been called to the bar, and is now Acting Puisne Judge, may also put in a claim. The appointment would no doubt rest between these gentlemen. The Deputy-Registrarship, which will shortly be vacant on the retirement of Mr. Sangster, will no doubt fall to Mr. Hazeland. The post held by Mr. Barff is, we believe, to be abolished or amalgamated with another.

A curious case was heard at the Police Court on Thursday, before Hon. H. E. Wodehouse. A tallyman named Fung Hoi was charged with stealing \$45 and a gold brooch set with pearls of the value of \$70, belonging to Mr. Smith Alliston, merchant, residing at Magazine Gap. At the end of March last year, the prosecutor was carrying on business at 62, Queen's Road Central. One Saturday about that date he left his office in charge of the prisoner, who was in his employ. At that time the table drawer in the office contained between forty and fifty dollars, and there was also jewellery, consisting of two brooches and two rings, of the value of about \$150. When prosecutor went to the office on the following Monday he unlocked the drawer and found that the money and part of the jewellery had disappeared. The accused had also left the office and he never came back. None of the missing property was found, and it was not until the 26th June that prosecutor again saw the prisoner, whom he met in Duddell Street. An Indian constable took charge of the prisoner, and locked him up at the request of the prosecutor. The evidence showed that the drawer must have been opened with a skeleton key, as when prosecutor tried the lock on the Monday morning it was fastened. The defendant denied committing the robbery, and said he left his master's employ on the Sunday evening in order to go on the steamer *Powan*. Before leaving he borrowed money from a Chinaman, with whom he left the key of the office, and he did not return on account of the plague. This story was corroborated by two witnesses. One, Ng Pak To, spoke to the prisoner borrowing a month's wages from him, in order that he might go home. The second witness, Tai Kai, said that defendant's nephew opened the office door, and he had not been seen since. Defendant gave his nephew the key. The Magistrate dismissed the case.

There were 2,210 visitors to the City Hall Museum last week, of whom 154 were Europeans. Mr. G. Harling has been recognised provisionally as in charge of the Swedish and Norwegian Consulate.

Mr. J. J. Francis, Q.C., has accepted the Presidency of the British Mercantile Marine Officers' Association.

Her Majesty's approval of the Bank Notes Ordinance and the Ordinance to further amend the Building Ordinance is gazetted.

Messrs. Lamke and Rogge courteously inform us they have received a telegram from Messrs. W. G. Hale & Co., Saigon, reading:—"Quarantine has been taken off."

In consequence of the rain the second Gymkhana meeting, which was to have been held at the Happy Valley on Saturday afternoon, had to be postponed. It will take place next Saturday.

Thursday, being the "Glorious Fourth," there were a large number of callers at the American Consulate, where Mr. Hunt, the popular Consul, was "at home," and "the day we celebrate" was duly honoured. The American ships in harbour were dressed.

It is notified in the *Gazette* that in pursuance of instructions from the Secretary of State His Excellency has appointed Mr. F. J. Badeley to be Deputy Superintendent of Police and Assistant Superintendent of the Fire Brigade in the place of Mr. G. Horspool, retired.

The Secretary of the Puijorn Mining Co. Limited, advises that he has received the following telegrams from the mines:—"The mill ran 22 days, crushing 720 tons yielding 347 ounces; headings 197 tons yielding 29 ounces. Cyanide clean up incomplete; will telegraph as soon as it is finished."—"The cyanide plant ran 22 days, treating 525 tons of tailings and 86 tons of concentrates yielding 10 oz. of bullion. We are suspending operations."

The following returns of the average amount of Bank notes in circulation and of specie in reserve in Hongkong, during the month ended 30th June, as certified by the Managers of the respective Banks, are published:—

Banks.	Average Amount.	Specie in Reserve.
Chartered Bank of India, Australia, and China	1,543,994	1,000,000
Hongkong and Shanghai Banking Corporation	4,577,070	2,500,000
National Bank of China, Ltd.	375,452	202,000
	\$6,496,516	\$3,702,000

An enquiry was opened by the Hon. H. E. Wodehouse on Saturday into the circumstances attending the death of Leung Fuk on the 29th June. On the morning of that day the deceased and another man stood under a verandah near MacGregor Barracks, and the deceased is stated to have been struck by a constable in the left side. Both men ran away, but they had not gone far when Leung Fuk fell dead in the gutter. A post mortem examination was made by Dr. Marques, who said that death resulted from hemorrhage, in consequence of rupture of the spleen. The rupture was probably the result of a severe kick or blow. The enquiry was adjourned till Wednesday.

The following Order of Her Majesty in Council, dated 11th May, is published in the *Gazette*:—"Whereas by the twentieth section of 'The Finance Act, 1894,' it is enacted that Her Majesty the Queen may, by Order in Council, apply that section to any British possession, where Her Majesty is satisfied that, by the law of such possession, no duty is leviable in respect of property situate in the United Kingdom when passing on death. And whereas Her Majesty is satisfied that by the respective laws of Ceylon, Hongkong, the Straits Settlements, and the Bahama Islands, no duty is leviable in respect of property situate in the United Kingdom when passing on death. Now, therefore, Her Majesty, by virtue and in exercise of the power by the aforesaid Act in Her Majesty vested, is pleased, by and with the advice of Her Privy Council, to order, and it is hereby ordered, that the twentieth section of 'The Finance Act, 1894,' shall apply to Ceylon, Hongkong, the Straits Settlements, and the Bahama Islands.

A Tokyo press telegram of the 28th June says:—"The Government of India (P) has permitted the Chartered Bank to hold Japanese bonds as part of the reserve against its note issue, the Yokohama branch has purchased Japanese bonds to the value of 2,500,000 yen."

FOOCHOW.

29th June.

Official notice has been issued from the Custom House that the Min river is re-opened to navigation, and that the shipment and discharge of cargo at Pagoda Anchorage was resumed on the 24th inst. The first steamer to anchor at the Pagoda Anchorage on the re-opening day was the "Glen" Line steamer *Glenfarg*.

The refugees brought over from Formosa included many women and children, and we hear that they were at once taken care of by the mandarins at the Pagoda. Those of them who had homes were despatched to them, but there were some without friends to claim assistance from, amongst them several widows, and these are being sold at 8,000 cash apiece, the child or children in cases when there were any being thrown in. Buyers, we understand, are not allowed to pick and choose—at least not as far as good looks or age is concerned—for which reason when a buyer makes his appearance the faces of all the women are covered up while the selection is taking place.

The authorities appear to have been very systematic and prompt in arranging that none of the refugees from Formosa belonging to other provinces should remain here as loafers. Most of them have already been sent off either by land or sea to their respective countries, and if we are rightly informed there are now only about 500 southerners at the Pagoda awaiting the opportunity of being shipped off, and about 200 Ningpo and Houan men lodged in the Joss house, next to Messrs. M. W. Greig & Co.'s hong, all under proper control, also merely detained through the present absence of means of transport.

The intercalary moon, occurring as it does this year as a second 5th moon, gives us a second edition of the Dragon festival. We are, of course, all of us pleased that the festivals of the country in which we reside should be observed in the orthodox manner and that the people should enjoy themselves in their own way, but these Dragon-boat regattas and the everlasting tom-tom!—Oh, heavens! May it be many many years before we have a double 5th moon again.—*Echo*.

CHINKIANG.

24th June.

There is no sign of an uprising among the people of this region. For a week we have had heavy rains, and the country people are busy setting out their rice. About 15 inches of water has fallen since the rain began.

A dreadful murder was committed some time ago near my house. The victim was a young Shantung man and no clue to the murderer has been discovered. The pernicious law that the man at whose door or on whose property the corpse is found is responsible for the crime until the murderer is found produced its ghastly results in this case. For three days this wretched creature lay in the open field naked, the hot blazing sun on one day and a pouring rain on another putrefying his wounds, and producing untold agony. When my colleague and myself found him he was still alive; his head, on which the wounds had been made, was covered with thousands of the horrible products of swarms of flies. His eyes were gone—eaten away. In his agony, too, he had beaten hard the ground for several yards and his mouth was filled with mud. We washed his wounds and carried him to a place of shelter, but he died that night. Had any Chinese done this he would be responsible for the murder. No wonder the Chinese heart seems hardened to suffering. To show that it is not really so, I would mention that when my friend and myself promised to be responsible for carrying the man, the neighbours helped us with the greatest cheerfulness and alacrity. While I write this there is another man lying dead in the city gate. He will probably remain there for days poisoning the atmosphere. The neighbours are afraid to move him for fear of the officials.

In these days when nearly every one kicks or wants to kick poor China, and when so much is said against the people, it is well to reflect calmly on the situation. The Chinese are a law-abiding race and easily governed. If they possessed the truth in all its departments, they would be as good and intelligent as the best of European

people. The Chinese submitted patiently to the verdict given by the magistrate at the inquest on the murder just referred to. What Englishman or American would have done so?

On Saturday the neighbours called early to ask me to come down to the house where the body lay, as the mandarin was coming to hold an inquest. According to promise I went and found the magistrate Wang seated under a pavilion that had been erected by the guilty parties, i.e., the men on whose property the murdered man was found. A great crowd of people, men, women, and children, were assembled around the place and the *lao-yeh* was about to open the case. "Call Yü," he said. Yü was produced and the usual questions of occupation, age, etc., were put and answered. "Now what do you know about this murder?" said the Magistrate, who was acting as coroner, jury and judge. Yü informed him that he knew nothing except that the man was found there. "Why don't you know?" exclaimed Socrates. As Yü could not very well answer this question and as there was a pause, your correspondent being somewhat friendly to Yü spoke and requested the privilege of giving a little evidence. The request was granted and the evidence was produced. The dead man while alive had been attended to by foreigners. As one of the neighbours it was difficult for us to know how the murder was committed, and how could we be cognisant of the circumstances of the victim? Many beggars were coming and going and we could not go out every day and count them and find out their circumstances.

The mandarin remarked that this did not fall within the compass of foreign intervention and proceeded with the case, the result of which was the apprehension of the Yü people and their imprisonment. The matter is not yet settled, but my neighbour is out of the yamen. I found out that he had paid the bill for the pavilion, the mandarin procession—a frowsy but expensive affair—and the demands of the yamen wolves. What money the magistrate Wang will receive I do not know. We would like to see this same official try a case in some Arizona, U.S.A., town, and witness the consequent rail-riding.—*N. C. Daily News*.

MISCELLANEOUS.

At the end of a column of sarcasm about the artistic demerits of the British dollar the *Straits Maritime Journal* remarks:—"Truly we are long suffering. We ask for a dollar and they give us a badly executed Sunday school medal."

In Her Britannic Majesty's Court for Japan on the 17th ult. Judge Mowat disposed of the case of *Beale v. Beale*, which was a suit by the wife, a Japanese, for judicial separation. It was a question of cruelty or no cruelty, he said, that he was called upon to decide; and he reviewed briefly the leading decisions as to what constituted cruelty in the view of the law. He then announced that he had no hesitation in saying that the petitioner had not made out what she alleged. The three chief incidents did not support the construction put upon them; the wife was not under apprehension of danger, and the petition must be dismissed.

The statistics of the Lappa Plague Hospital, Macao, are as follow:—

	New cases.	Deaths.	Discharges
June 28th	8	4	—
" 29th	3	3	—
" 30th	5	2	9
July 1st	3	2	—
" 2nd	3	1	—
" 3rd	2	1	6
" 4th	2	1	—
" 5th	3	1	—
" 6th	2	—	—
" 7th	6	—	1
Total	37	15	16

It will be remembered that the Foochow-built wooden ram *Kangchi* after being stripped of her armament was presented to the Chinese by the Japanese victors at Weihaiwei for the special purpose of carrying the remains of the late Admiral Ting and his two commodores Liu Pu-ch'an and Yang Yung-lin to Ch-fu. Last March the *Kangchi* brought five coffins down to Shanghai belonging to Admiral Ting, his two commodores, and the commandants of the Weihaiwei mainland forts and the forts on Liukung island. After carrying Admiral

Ting's remains to Wuhu for carriage overland to the late Admiral's home at Hefei, Anhui, the *Kangchi* returned to Shanghai and immediately went to the Kiangnan Arsenal naval yard for repairs. She has now been thoroughly refitted and re-armed with better guns than her previous muzzle-loaders and came out of dock last week. She started for her old place in the North on the 29th June and with the old wooden sloop *Chinghai* will be the only representative for some time to come of the Peiyang fleet.—*N. C. Daily News*.

The fact that it is well known to the Chinese news-reading public that it was really some foreigners of Tamsui who informed the Japanese of the defenceless condition of Taipei and it was they who led the way for the Japanese to that city long before the military prudence of the latter would allow them to do so, has, the *N. C. Daily News* says, caused all sorts of reports to be manufactured, accusing foreigners in South Formosa of sending information in the same way to the Japanese, urging them to come and attack Anping, Takao, etc., at once. One native paper has even gone the length of giving publicity to a plainly false report giving details of a supposed interview between some foreigners and Liu Yung-fu, the old Black Flag General, in which the former were said to have exhausted all the arts of rhetoric trying to persuade General Liu to surrender South Formosa to Japan "and become one of the most trusted of Japan's Generals." The foreigners were even said to have offered an immense sum of money on behalf of the Japanese to tempt Liu Yung-fu to give up his command and to cross over to the mainland.

In the Declaration of Friendship announced between Japan and Siam on September 26th, 1887, it is stipulated that in the meantime, and in the interval required for the ratification of the Convention, the subjects of the one power may enjoy in the territories of the other, and *vice versa*, all the privileges and rights granted to the most favoured nations. This, says the *Siam Free Press*, may or may not mean that the Japanese domiciled in Siam are to enjoy extraterritorial rights, inasmuch as the rights reciprocally acknowledged by the contracting parties have not so far been taken advantage of either by Siam or Japan. And it has been held by several eminent jurists that no power is entitled to claim extraterritorial rights unless it has provided the necessary machinery to supersede territorial jurisdiction. For the last year or so, influenced probably by the Sino-Japanese war, the Japanese in Siam have not thought it well to call the attention of their government to their position in Siam. Now, however, that peace has been concluded the Japanese residents in Siam are moving in the matter, and are urging their government to secure a definition of their rights in this country. And with this end in view they have petitioned the Japanese Foreign Office, praying that pending the appointment of a Consul to the Court of Siam, the representative of some friendly Power should be requested to afford them protection. We understand that the choice of the Japanese has fallen upon the Consul-General for the Netherlands, and that Chevalier Keun de Hoogerwoerd may be ordered by his government to take over the guardianship of Japanese interests in Siam until such time as a regular Consul is appointed by the Japanese Foreign Office.

COMMERCIAL.

TEA.

EXPORT OF TEA FROM CHINA TO GREAT BRITAIN.

	1895-96	1894-95
	lbs.	lbs.
Canton and Macao	1,970,181	1,329,604
Foochow	5,849,350	5,047,596
Shanghai and Hankow	8,229,359	8,804,032
	16,048,890	15,181,232

EXPORT OF TEA FROM CHINA TO UNITED STATES AND CANADA.

	1895-96	1894-95
	lbs.	lbs.
Amoy	2,112,164	1,176,938
Foochow	412,210	1,098,663
Shanghai	3,131,020	3,475,917
	5,655,394	57,516,23

EXPORT OF TEA FROM CHINA TO
ODESSA.

	1895-96 lbs.	1894-95 lbs.
Hankow and Shanghai ...	23,242,163	15,903,719

EXPORT OF TEA FROM JAPAN TO UNITED
STATES AND CANADA.

	1895-96 lbs.	1894-95 lbs.
Yokohama	11,575,044	11,347,749
Kobe	1,170,801	737,196
	12,745,845	12,084,945

SILK.

SHANGHAI, 4th July.—(From Messrs. Cromie and Burkill's circular).—London advices to the 2nd inst. report the market "firm" with no change from the previous week's quotations. Raw Silk.—A great change has come over the market, which has been very quiet since our last report. The cause is principally the steady rise in exchange which to-day is quoted 3/4 against 2/11 for 4 m/s Credit last week, together with firm attitude of holders who seem disposed to hold out for \$350 for Gold Killing grades. Tsatlees.—Settlements have been quite unimportant, but Mountain 4 shows an advance of Tls. 10 on last week's quotation. Taysaams.—Small transactions in Green Kahing and 9 by 12 Moss at firm rates. Yellow Silks.—No business has been reported. Prices remain unchanged. Arrivals, as per Custom Returns from the 27th June to the 3rd July, are 4,602 bales of White, 398 bales of Yellow, and 186 bales of Wild Silk. Re-Reels and Filatures.—Contracts for further 150 bales have been made at a considerable advance. Wild Silk.—About 200 bales have changed hands, Steam Filatures Whafoong & Coccoons at Tls. 260, and Tussah Raws Market No. 1 at Tls. 150. Waste Silk.—The market for Curlies has been opened at Tls. 58 for the usual assortment of 60, 30, 10 for No. 1, 2, 3, but so far buyers refuse to go on, and holders on the other hand are now asking Tls. 59/60. A parcel of Kading Frisonnets was sold at Tls. 20 for whole bales. The demand for Waste Silk is slow and arrivals continue on a small scale. Pongees.—Nothing doing.

Purchases include:—Tsatlees.—Bird Chunling at Tls. 405, Mountain 4 at Tls. 38 1/4. Taysaam.—Gr. Kahing Ye Van-Chong Chayling at Tls. 340, do. Tongpau at Tls. 315, 9/12 Moss Green House 3 at Tls. 315, do. Green Stock 4 at Tls. 255. Filatures.—Woo San Dong Croisée, 1, 2, and 3 at Tls. 560, Tls. 550, and Tls. 540, Market Chop not Croisée 1 and 2 Tls. 485 to Tls. 475. Wild Silk.—Whafoong Steam Tussah Fil 4 Coccoons Tls. 260, Tussah Raw Tls. 150.

EXPORT OF SILK FROM CHINA AND
JAPAN TO EUROPE.

	1895-96 bales.	1894-95 bales.
Shanghai	6,371	2,360
Canton	1,795	424
	8,166	2,784

EXPORT OF SILK FROM CHINA AND JAPAN
TO AMERICA.

	1895-96 bales.	1894-95 bales.
Canton	1106	635
Shanghai	720	720
	1,826	1,355

CAMPBOR.

HONGKONG, 9th July.—The market is still advancing, owing to the non-arrival of supplies from Formosa. Quotations for Formosa are \$85.00 to \$85.50. During the past week sales have been 150 piculs.

SUGAR.

HONGKONG, 9th July.—The Market continues dull, but prices are a shade firmer. Following are the quotations:—

Shekloong, No. 1, White...	\$7.13 to 7.16 per picul.
do. " 2, White...	6.68 to 6.70 "
Shekloong, No. 1, Brown...	4.65 to 4.68 "
do. " 2, Brown...	4.50 to 4.52 "
Swatow, No. 1, White...	7.10 to 7.12 "
do. " 2, White...	6.63 to 6.66 "
do. " 1, Brown...	4.45 to 4.47 "
Swatow, No. 2, Brown...	4.27 to 4.30 "
Foochow Sugar Candy	10.05 to 10.10 "
Shekloong "	8.95 to 8.97 "

MISCELLANEOUS EXPORTS.

The British steamer *Polyphemus*, Hongkong to London, 25th June, took:—125 bales Waste Silk and 72 packages Merchandise; for Liverpool:—1 package Cigars.

The British steamer *Turbo*, Hongkong to London, 25th June, took:—2,431 packages Fire Crackers, 120 rolls Mats, 100 cases Camphor, 50 bales Waste Silk, 36 cases Chinaware, 2 cases Baskets, 2 cases Gongs, and 1 case Silks; for Hamburg:—255 bales Feathers, 135 Bristles, 58 bales Canes, 7 cases Blackwoodware, 6 cases China Ink, 3 cases Chinaware, 2 cases Sundries, 2 cases Silks, and 1 case Silk Goods; for London option Hamburg:—1,480 cases Camphor, 134 bales Galangal, 40 bales Feathers, and 20 cases Bristles; for London option Hamburg option Havre:—462 cases Camphor. From Shanghai to London:—10 bales Hides; for Hamburg:—173 bags Gallants, 99 bales Cotton, 55 bales Feathers, 27 bales Rugs, and 10 bales Hides; for New York:—93 bags Wool, 25 bales Hides, 22 bales Sheepskins, and 12 bales Goatskins.

The German steamer *Prinz Heinrich*, Hongkong to Genoa, 26th June, took:—100 bales Waste Silk, 63 bales Raw Silk, and 2 boxes Chinaware; for Bremen:—1 case Idols, 3 cases Silks, 6 packages Curios, 512 packages Tea, 105 rolls Matting, and 4 cases Sundries; for Amsterdam:—64 cases Chinaware, 10 boxes Canes, 3 cases Earthenware, 5 cases Palm Leaf Fans, 73 rolls Matting, 3 cases Sundries, and 5 cases Bambooware and Lanterns; for Singapore:—5 cases Cigars; for London:—5 cases Treasure (\$172,164); for Colombo:—144 boxes Chinaware; for Alexandria:—1 case Silk Piece Goods; for Port Said:—4 cases Sundries, 1 case Silk, and 19 cases Rattan Chairs; for Hamburg:—75 boxes China Paper, 201 packages Fire Crackers, 135 cases Merchandise, and 275 bales Feathers; for Antwerp:—114 cases Rattancore, 25 cases Chinaware, 38 rolls Matting, 6 cases Sundries, 1 case Tea, 1 case Preserves, 2 cases Leaf Tobacco, 62 bales Leaf Tobacco, and 28 bales Hemp.

The German steamer *Lawang*, Hongkong to Havre, 29th June, took:—200 boxes Tea, 80 packages Canes, 32 rolls Mats, 20 cases Hair, 2 bales Cock Feathers, 1 box Paper, 1 bale Rattan, and 1 package Tea Samples and Labels; for Havre option Hamburg:—100 rolls Matting, 53 bales Bamboos, and 10 bales Canes; for Hamburg:—1,000 cases Cassia Lignea, 216 bales Feathers, 67 bales Galangal, 55 bales Rattan Shavings, 30 packages Canes, 28 cases Bristles, 16 cases Palm Leaves, 10 cases Paper, 10 boxes Staranised Oil, 7 cases Furniture, 7 packages Tea, 6 bales Woollen Goods, 5 cases Curios, 1 case Blackwood, 1 case China Ink, 1 roll Matting, and 1 package Tea Samples; for Hamburg option London:—2 cases Bristles.

The British ship *Gleneslin*, Hongkong to San Francisco, 29th June, took:—3,000 bags Rice, 1,120 packages Tea, 1,011 bags Rice Flour, 2,164 empty Quicksilver Flasks, 820 boxes Nut Oil, 417 bales Gambier, 365 casks Golden Syrup, 130 boxes China Wine, 227 boxes Black Pepper, 50 boxes Saigon Cassia, 40 bales Cassia, 60 bales Gunny Bags, 20 bags Beans, 25 bales Split Rattan, 10 rolls Matting, and 13,327 packages Merchandise.

The British steamer *Agamemnon*, Hongkong to London, 3rd July, took:—6,011 boxes Tea (26,628 lbs. Congou, 92,190 lbs. Scented Caper, 7,413 lbs. Scented Orange Pekoe), 77 1/2 chests Tea (particulars unknown), 1,250 packages Fire Crackers, 250 bales Waste Silk, 100 casks Soy, 37 bags Tin Ore, 35 cases Bristles, 30 rolls Matting, 29 cases Pearl Shells, 25 bales Canes, and 2 packages Private Effects; for Buenos Ayres:—399 packages Tea (particulars unknown).

The British steamer *Glenfarg*, Hongkong to London, 3rd July, took:—2,873 boxes Tea (21,134 lbs. Congou, 34,230 lbs. Scented Caper, 3,969 lbs. Scented Orange Pekoe), 77 1/2 chests Tea (particulars unknown), 1,250 packages Fire Crackers, 250 bales Waste Silk, 100 casks Soy, 37 bags Tin Ore, 35 cases Bristles, 30 rolls Matting, 29 cases Pearl Shells, 25 bales Canes, and 2 packages Private Effects; for Buenos Ayres:—399 packages Tea (particulars unknown).

The P. & O. steamer *Pekin*, Hongkong to London, 4th July, took:—220 rolls Matting, 1 bale Raw Silk, 177 bales Waste Silk, 16 cases Silk Piece Goods, 3 cases Cigars, and 3 packages Sundries; for France:—440 bales Raw Silk, 25 bales Waste Silk, and 2 cases Silk Piece Goods.

OPIUM.

HONGKONG, 9th July.—Bengal.—There has been a fair amount of business in this drug towards the close, but prices have further receded, Patna closing at \$72 1/4 for New, \$77 1/2 for Old, and Benares at \$72 1/2 for New and Old.

Malwa.—Has ruled quiet. Quotations are slightly lower, the following being the current figures:—New \$680 with allowance of 0 to 2 1/2 cts. Id (2 years).....\$720 " " 1 to 2 1/2 " Older\$730 " " 1 to 2 "

Persian.—There has been very little doing during the period under review and prices are unchanged. Current quotations are \$690 to \$730 for Oily and \$760 to \$820 for Paper-wrapped according to quality.

To-day's stocks are estimated as under:—

New Patna	1,660 chests.
Old Patna	95 "
New Benares	500 "
Old Benares	360 "
Malwa	750 "
Persian	890 "

COURSE OF THE HONGKONG OPIUM MARKET.

DATE.	PATNA.		BENARES.		MALWA.	
	New.	Old.	New.	Old.	New.	Old.
1895.	\$	\$	\$	\$	\$	\$
July 4	727 1/4	790	727 1/4	735	680	720/730
July 5	727 1/4	780	725	730	680	720/730
July 6	727 1/4	780	725	730	680	720/730
July 7	727 1/4	780	725	730	680	720/730
July 8	727 1/4	780	725	730	680	720/730
July 9	727 1/4	770	725	725	680	720/730

RICE.

HONGKONG, 9th July.—The market is still declining, under the influence of large arrivals. Closing quotations are:—

	per picul.
Saigon, Ordinary	\$1.98 to 2.00
" Round, good quality	2.25 to 2.28
" Long	2.37 to 2.39
Siam, Field, mill cleaned, No. 2 ...	2.05 to 2.08
" Garden, " No. 1 ...	2.37 to 2.40
Siam White	2.88 to 2.90
" Fine Cargo	3.10 to 3.12

HONGKONG, 9th July.—Amongst the sales reported are the following:—

YARN AND PIECE GOODS:—Bombay Yarn.—20 bales No. 5 at \$58, 535 bales No. 10 at \$64 to \$71.50, 235 bales No. 12 at \$68 to \$75.50, 75 bales No. 16 at \$76.50 to \$81, 535 bales No. 20 at \$79.50 to \$85. Grey Shirtings.—3,250 pieces 10 lbs. Blue 5 Men at \$3.67 1/2, 250 pieces 10 lbs. Red Lion and Flag at \$3, 1,500 pieces 10 lbs. Stag chop at \$3.62 1/2, to \$3.65, 2,500 pieces Flower Vase at \$3.65 to \$3.67 1/2, 500 pieces Blue 7 Boys at \$3.15, 250 pieces 10 lbs. Red 5 Men at \$3.05, 500 pieces 8 1/2 lbs. Blue Peach at \$2.67 1/2, 250 pieces 10 lbs. 6 Women at \$3.20, 250 pieces Blue 7 Boys at \$3.15. White Shirtings.—1,050 pieces E.F. at \$6.55, 100 pieces No. 1 at \$5.50, 210 pieces No. 2 at \$5.80, 60 pieces No. 3 at \$6.05, 500 pieces S.Q. at \$4, 500 pieces Gold Cow at \$3.40, 150 pieces Gold Elephant at \$3.55, 250 pieces No. 600 at \$4. Spanish Stripes.—120 pieces B. R. B. assorted at \$0.58, 120 pieces 3 Fishes assorted at \$0.58, 360 pieces S. and G. assorted at \$1.10. Long Ells.—500 pieces 8 lbs. Scarlet at \$6.70, 250 pieces Purple and Green at \$6.80, 200 pieces 10 lbs. Scarlet at \$7.15. Camlets.—400 pieces 9 Old Men assorted at \$16.65, 200 pieces 9 Old Men Indigo at \$16.85, 100 pieces 8 Persons assorted at \$17.50. T-Cloths.—750 pieces 7 lbs. Mex. Red Stag at \$2.17 1/2, 900 pieces 8 lbs. V.V. at \$2.72 1/2, 750 pieces pieces Mex. S. Lion No. 2 at \$1.76, 750 pieces S. Lion No. 1 at \$1.79.

METALS.—Tin.—100 slabs Siam at \$36.20, 100 slabs Foong Chai at \$36.50.

SHANGHAI, 4th July.—(From Mr. G. W. Noel's report).—To most importers the interval has been a very quiet one, although this has not been the experience of all, but the bulk of the transactions, without doubt, were put through the two days subsequent to the date of the last report, and before the influences which have served to disturb our market became known. Monday happened to be a Bank holiday, but the advices of higher silver in London leaked out during the day, and the recovery that took place in exchange when the Banks re-opened was fully anticipated. Every advance in sterling rates that takes place now appears to the native mind to be merely the precursor of the movement that will eventually end in the rehabilitation of silver. So strongly is he impressed with this idea that nothing will convince him the time has not yet arrived until an absolute re-action takes place, and pending that he refrains from buying anything but the direct necessities, unless holders can be induced to concede something more than the difference in prices. It has suited some books to do this, but the majority are not very oppressively overstocked at the moment, and the margin that existed between this and Manchester before scarcely warrants any concession being made. Importers are, furthermore, encouraged to hold out by the strong advices received from Tientsin of the markets there, and the knowledge that there are large orders to buy here that are merely being withheld on account of this advance in Sterling.

Satisfactory advices have come in from Newchwang of the prices that market has opened at, the following being some of the quotations:—Pepperell Drills Tls. 3.45, American Sheetings.—Indian Head Tls. 3.50, Massachusetts Tls. 3.55, Appleton and Boott Tls. 3.40, Cabot A Tls. 3.42, Crescent Tls. 3.17, Phoenix Tls. 3.15 Blue Joss Tls. 3.20, Dragon Flag Tls. 3.12, Cabot W Tls. 3.05, and Piedmont Tls. 2.95. 84-lbs. Shirtings.—Fancy Dog Tls. 2.40, Blue ditto Tls. 2.10, Green ditto Tls. 2.00 and Two Man Tls. 1.90, and 7-lbs. Mexicans—Red Dragon Tls. 1.64. The quantities were necessarily very small, but for a beginning these prices are not at all unsatisfactory, especially when it is considered that the tael there is worth about 7 per cent. premium. The river markets continue quiet, as far as fresh orders are concerned, but deliveries are going on steadily of the exceptionally large quantities that have been settled here for Hankow during the last two months. The lower prices paid at Auction this week fully illustrates the difference the dealers are making for the rise in exchange.

Metals.—(From Mr. Alex. Bielfeld's report)—5th July:—This week has been a very quiet one. The Metal business drags along languidly. Nail-roads have been offered at 101/-, but without resulting in sales.—Lead.—No change to report. The only sales reported are:—100 tons Redcar Pig Iron at Tls. 20, "spot" cargo; 110 tons Nail-roads at £5.11.6, c.i.f. &c. Old Material.—Stocks are moving slowly and but little interest is shown at present. Contracts have been made for:—200 tons and 100 tons Horseshoe, Liverpool or Glasgow 76/- and 75/- c.i.f.; 200 tons 50 tons Steel Plate Cuttings 1.92½ and 1.90; 100 tons Old Wire Rope 1.75; 100 tons Old Chain private terms. The following sales at auction prove the weakness of the market by the low figures realised:—13 tons Old Chain at Tls. 1.75; 90 tons and 30 tons Bar Croppings at Tls. 1.78½ and Tls. 1.81½; 20 tons Old Telegraph Wire, damaged, at Tls. 1.08.

TUESDAY, 9th July. CLOSING QUOTATIONS. EXCHANGE.

ON LONDON.	
Telegraphic Transfer	2 1½
Bank Bills, on demand	2 1½
Bank Bills, at 30 day's sight	—
Bank Bills, at 4 months' sight	2 2¼
Credits, at 4 months' sight	2 2¼
Documentary Bills, 4 months' sight	2 2¼
ON PARIS.	
Bank Bills, on demand	2.71
Credits, at 4 months' sight	2.77
ON GERMANY.	
On Demand	2.19
ON NEW YORK.	
Bank Bills, on demand	52½
Credits, 60 day's sight	54
ON BOMBAY.	
Telegraphic Transfer	196
Bank, on demand	196½
ON CALCUTTA.	
Telegraphic Transfer	196
Bank, on demand	196½
ON SHANGHAI.	
Banks, at sight	72
Private, 30 day's sight	72½
ON YOKOHAMA.	
On demand	par.
ON MANILA.	
On demand	4 % pm.
ON SINGAPORE.	
On demand	par.
SOVEREIGNS, Bank's Buying Rate	\$9.10
GOLD LEAF, 100 fine, per tael	47.30

JOINT STOCK SHARES.

HONGKONG, 9th July.—The market has ruled very inactive and we have nothing of importance to report.

BANKS.—Hongkong and Shanghai have remained steady with fairly large sales at 186 per cent. prem. for cash and at 192 and 195 for August and September. Nationals are rather weaker, with no business to report.

MARINE INSURANCES.—With the exception of Unions, which are enquired for in a small way at the increased rate of \$164, we have no change or business to report.

FIRE INSURANCES.—Hongkongs are still changing hands at \$205 and shares could still be placed at the rate. Chinas continue neglected.

SHIPPING.—Hongkong, Canton, and Macao have ruled weak, and shares on offer at \$31½ have failed to find buyers. It is rumoured that the Company will pay the same dividend as last half year, i.e., 6 per cent. Douglas's have found

further buyers at \$50, and a few more shares are on offer at that rate. We have nothing to report in other shipping stocks. The Indo-China report shows a net profit on earnings of the steamers of over \$910,000.

REFINERIES.—Continue neglected.

MINING.—Punjoms with a second bad result of the cyanide process have ruled weak; sellers vainly offering shares in the early part of the week at \$5.90, the rate quickly fell to \$4.75, at which rate shares are obtainable.

MISCELLANEOUS.—Docks have continued quiet, and offers to sell at 105 per cent. prem. have met with no response; the market closes weakish. Lands continue to find small investing buyers at \$59½ and remain steady at that. Watsons show signs of weakness at \$9½. Electrics continue on offer at \$4.85 and sales of Fenwicks are reported at \$15. Ropes have been negotiated and are still wanted at \$125.

Closing quotations are as follow:—

COMPANY.	PAID UP.	QUOTATIONS
Banks—		
Hongkong & Shanghai	\$125	186 p. ct. pm., sales
China & Japan, pref.	—	nominal [& sellers]
Do. ordinary	\$1	nominal
Do. deferred	\$1	nominal
Natl. Bank of China	—	—
B. Shares	\$3	\$27½, sellers
Found. Shares	\$1	nominal
Bell's Asbestos E. A.	15s.	\$10, sellers
Brown & Co., H. G.	\$50	\$4½, sellers
Campbell, Moore & Co.	\$1	\$2
China Sugar	\$100	\$104
Chinese Loan '86 E.	Tls. 25	11 p. ct. pm.
Dakin, Cruick & Co.	\$1	\$1
Dairy Farm Co.	\$10	\$7
Fenwick & Co., Geo.	\$25	\$15, sales
Green Island Cement	\$30	\$10
H. Brick & Cement	\$12.50	\$7½, sellers
H. & C. Bakery	\$50	\$36
Hongkong & C. Gas	\$10	\$125, buyers
Hongkong Electric	\$8	\$4.85, sales & sellers
H. H. L. Tramways	\$100	\$70, buyers
Hongkong Hotel	\$50	\$8, sellers
Hongkong Ice	\$25	\$83, sales & buyers
H. & K. Wharf & G.	\$50	\$41, sellers
Hongkong Rope	\$50	\$125, sales & buyers
H. & W. Dock	\$125	105 p. ct. pm., sales
Insurance—		
Canton	\$50	\$162½, buyers
China Fire	\$20	\$84, sellers
China Traders'	\$25	\$7, sellers
Hongkong Fire	\$50	\$205, sales & buyers
North-China	\$25	Tls. 195, sellers
Straits	\$20	\$18½, sales & buyers
Union	\$25	\$164, buyers
Yangtze	\$60	\$93, buyers
Land & Building—		
H. Land Investm't	\$50	\$59½, sales & sellers
Humphreys Estate	\$10	\$8
Kowloon Land & B.	\$30	\$16½, sellers
West Point Buildg.	\$40	\$184, buyers
Luzon Sugar	\$100	\$45
Mining—		
Charbonnages	Fcs. 500	\$105, sellers
Jebeu	\$5	\$3.30, buyers
New Balmoral	\$3	\$5.90, buyers
Punjom	\$3½	\$4.75, sales
Do. (Preference)	\$1	\$1.50, sellers
Raub	13s. 10d.	\$4, sales & buyers
Steamship Coys.—		
China & Manila	\$50	\$55, buyers
China Shippers	\$5	\$2.11.6
Douglas S. S. Co.	\$50	\$50, sales & sellers
H. Canton, & M.	\$20	\$31½, sellers
Indo-China S. N.	\$10	\$53, sellers
W'chai Warehouse Co.	\$37½	\$37½, buyers
Watson & Co., A. S.	\$10	\$4, sales & sellers

CHATER & VERNON, Share Brokers.

SHANGHAI, 5th July.—(From Messrs. J. P. Bisset & Co.'s Report).—Banks.—Hongkong and Shanghai Banking Corporation.—The market has improved during the week. Shares were placed from Hongkong at 185 per cent. premium on the 1st, and local shares were sold that day at the same rate. Cash shares have since been sold at 185 and 186 per cent. premium, and at 190 and 192 per cent. premium for delivery on the 31st August, some business has been done. The latest London quotation is £43½, and the rate in Hongkong is 186 per cent. premium. National Bank of China share have changed hands, in Hongkong, at \$28. Shipping.—Shanghai Tug Boats shares have been sold at Tls. 190, and Indo-China S. N. shares at Tls. 38. Hongkong, Canton, and Macao Steamboat shares changed hands, in Hongkong, at \$32. Dock.—Shares in S. C. Farnham & Co. were sold at Tls. 150. Hongkong and Whampoa Dock shares are quoted 107 per cent. premium in Hongkong. Marine Insurance.—Unions were sold at \$164 and Yangtses at \$94 and \$93. North

China are offering at Tls. 195, while buyers offer Tls. 185. Fire Insurance.—Shares in the Hongkong Fire Insurance Co. are offering at \$202½, while buyers offer \$193. China Fire have changed hands at \$94, and more shares are obtainable at the same rate. Wharves.—Shares in the Shanghai and Hongkew Wharf have been placed at Tls. 297½. Birt's Wharf shares are wanted at Tls. 50, but are held for higher rates. Hongkong and Kowloon Wharf shares are steady at \$41. Cargo Boat.—Shanghai shares have been sold at Tls. 155. Co-operatives are wanted at Tls. 135. Miscellaneous.—Business is reported in:—Shanghai Gas shares at Tls. 210 ex dividend of Tls. due on the 11th, Perak Sugar Cultivation shares at Tls. 28½, China Sugar Refining shares, from Hongkong, at \$105, Hall & Holtz shares at \$20, Shanghai Land Investment shares at Tls. 38, Shanghai House Bazaar shares at Tls. 48, Shanghai-Sumatra Tobacco shares at Tls. 610 for 30th September, Shanghai-Lankat Tobacco shares at Tls. 140 to Tls. 152½ for cash and Tls. 150 for delivery on the 31st current. Loans.—Municipal Debentures of 1893 were placed at Tls. 94 plus the accrued interest, and Shanghai Land Investments of 1892 at Tls. 93, and of 1894 at Tls. 100.

Quotations are:—

Hongkong and Shanghai Banking Corporation.—186 per cent. prem.
Bank of China, Japan, and The Straits, Limited.—\$27.
Bank of China, Japan, and The Straits, Limited, Founders.—Nominal.

National Bank of China, Ltd., A.—Nominal.
National Bank of China, Ltd., B.—Nominal.
National Bank of China, Ltd., Founders.—Nom.
Shanghai Tugboat Co., Ltd.—Tls. 30 per sh.
Indo-China Steam N. Co., Ltd.—Tls. 48 per sh.
China Mutual S. N. Co.—Tls. 50 per share.
Taku Tug & Lighter Co., Ltd.—T. Tls. 70 per sh.
Hongkong, Canton and Macao Steamboat Co.—\$32 per share.

Douglas Steamship Co., Ltd.—\$50 per share.
Rovd & Co., Ltd., Founders.—Tls. 300 per share.
Boyd & Co., Limited.—Tls. 165 per share.
S. C. Farnham & Co.—Tls. 150 per share.
Hongkong and Whampoa Dock Co., Ltd.—104 per cent. premium.

China Traders' Insurance Co., Ltd.—\$66½ per sh.
North China Insurance Co., Ltd.—Tls. 195 per share.

Union Ins. Society of Canton, Ltd.—\$164 per share.
Yangtze Insee. Assocn., Ltd.—\$93 per share.
Canton Insurance Office, Ltd.—\$160 per share.
Straits Insurance Co., Limited.—\$17½ per share.
Hongkong Fire Insurance Co., Ltd.—198 per sh.
China Fire Insurance Co., Ltd.—\$84 per share.
Shanghai & Hongkew Wharf Co.—Tls. 297½ per share.

Birt's Wharf Hide-curing and Wool-cleaning Company.—Tls. 50 per share.
Hongkong and Kowloon Wharf and Godown Company, Limited.—\$41 per share.
Sheridan Consolidated Mining and Milling Company, Limited.—Tls. 4 per share.
Punjom Mining Co., Ltd.—\$5½ per share.
Punjom Mining Co., Ltd., pref. shares—\$1.70 per share.

Jebeu Mining & Trading Co., Ltd.—\$3.30 per sh.
Raub Australian Gold Min. Co., Ltd.—\$4.10 per share.

Shanghai Cargo Boat Co.—Tls. 155 per share.
Co-operative Cargo Boat Co.—Tls. 135 per sh.
Shanghai Gas Co.—Tls. 216 per share.
Hongkong Electric Co., Ltd.—\$5 per share.
Shanghai Waterworks Co., Ltd.—Tls. 180 p. sh.
Perak Sugar Cultivation Co., Ltd.—Tls. 2½ p. sh.
China Sugar Refining Co., Ltd.—\$105½ per sh.
Luzon Sugar Refining Co., Ltd.—\$45 per share.
Hall & Holtz, Ltd.—\$20 per share.
Shanghai Land Investment Co., Ltd.—Tls. 38 per share.

Hongkong Land Invest. & A. Co., Ltd.—\$59½ per share.

J. Llewellyn & Co., Limited.—\$40 per share.
Shanghai Horse Bazaar Co., Ltd.—Tls. 48 per sh.
Major Brothers, Limited.—Tls. 20 per share.
Shanghai Sumatra Tobacco Co.—Tls. 550 p. sh.
Shanghai Lankat Tobacco Co., Ltd.—Tls. 152½ per share.

Shanghai Lankat Tobacco Co., Ltd., Founders.—Nominal.

Shanghai Ice Company.—Tls. 117½ per share.
A. S. Watson & Co., Limited.—\$9½ per share.
L'Hotel des Colonies.—Tls. 20.
Bell's Asbestos Eastern Agency, Ltd.—\$1.
Bell's Asbestos Eastern Agency, Ltd.—\$9.50.
China Merchants' Steam Navigation Company Debentures.—Nominal.

Lyceum Theatre Debentures.—Tls. 12.
Chinese Imp. Gov. Loan, 1886, E.—Tls. 251½ (a).
Shanghai Municipal Debentures.—Nominal.

Shanghai Land Investment Company Debentures.—Tls. 100 (a).

Shanghai Land Investment Company Debentures.—Tls. 93.

(a) Exclusive of accrued interest

TONNAGE.

SHANGHAI, 5th July.—(From Messrs. Wheelock & Co.'s report.)—In our homeward freight market rates remain in a very unsettled state for America, both for shipments Overland and *via* Suez. Trans-Pacific rate for tea at one cent was freely availed of by shippers, and large quantities of tea have left here within the past few days at this figure. For the next steamer 1½ cent is quoted, at which price she will probably obtain what cargo she requires, but after her departure rates may possibly fall again in the face of outside competition, unless some combination is arranged in the meantime. For London there is no change. For London *via* Suez.—Demand for tonnage in this direction fluctuates very considerably, and though occasionally a departing steamer secures good support, others on the other hand are not so fortunate. For New York *via* Cape.—Chartering in this direction appears to have been almost overdone, and we shall be very surprised if sufficient cargo is forthcoming to satisfy the anticipations of charterers. The *Drumteller*, at present loading, is in search of a large quantity of cargo, expecting if possible to sail from here to New York direct about the middle of August. The *Sam Shofield* is also ready to load, and intends staying here sufficiently long to enable her to procure as much cargo as possible. The *Adam W. Spies* is also chartered and we hear that her lay days extend over an unprecedentedly long period. The *Belmont*, with a somewhat unexpectedly large quantity of cargo, sailed on the 29th ultimo for Hongkong to complete her loading. In addition to the above ships the *Celeste Burrill*, due here any moment now, will also take the berth. Rate as quoted is 25s., but it is more than likely that cheaper rates can be obtained. Rates of freight are:—From Shanghai to London by Conference Lines, general cargo 4s.; waste silk 45s.; tea 55s. Northern Continental ports, general cargo 42s. 6d.; waste silk 45s.; tea 45s. New York, general cargo 5s.; tea 45s. New York *via* London, general cargo 50s.; tea 55s. Boston, general cargo 52s. 6d. Philadelphia, general cargo 60s. Above rates are subject to a deferred return, as per Conference circular. London by Shell Line, general cargo 40s. less 10 per cent.; Hamburg, general cargo 35s. net.; New York, general cargo 41s. net.; Philadelphia, general cargo 51s. net. Havre direct, general cargo 37s. 6d. net.; Genoa, tallow 35s., general cargo 40s. net.; Marseilles, tallow 35s., general cargo 37s. 6d. net. 45s. per ton of 20 cwt. for above three ports. For New York by sail 25s. Coast rates are:—Chinkiang to Whampoa, 18 candelers regular lines, no demand for outsiders; Moji to Shanghai \$1.50 per ton coal; Nagasaki to Shanghai \$1.30 per ton coal. No disengaged vessel in port.

VESSELS ON THE BERTH.

For LONDON.—*Kaisow* (str.), *Japan* (str.), *Ceylon* (str.), *Khedive* (str.), *Palinurus* (str.), *Glenesk* (str.).
For HAMBURG.—*Glamorganshire* (str.), *Irene* (str.).
For BREMEN.—*Bayern* (str.).
For VANCOUVER.—*Empress of Japan* (str.).
For VICTORIA, B.C.—*Victoria* (str.).
For SAN FRANCISCO.—*Lyndhurst*, *Alcedo*, *Belgie* (str.).
For NEW YORK.—*Santa Clara*, *George F. Manson*, *Belmont*, *Fohng Suey*, *Siam*, *Fort Stuart*, *Merionethshire* (str.).
For AUSTRALIA.—*Changsha* (str.).

SHIPPING

ARRIVALS AND DEPARTURES SINCE LAST MAIL

HONGKONG.

July—

ARRIVALS.

3. Cheangchow, British str., from Straits.
4. Yarra, French str., from Saigon.
4. Hanoi, French str., from Hoihow.
4. Kwanglee, British str., from Canton.
4. Moldva, British str., from Canton.
4. Ethiopia, British str., from Kutchinotzu.
4. Siam, British str., from Amoy.
4. Peking, German str., from Chinkiang.
4. Maria Valeria, Austrian str., from Kobe.
5. Mongin, British str., from Bangkok.
5. Strachan, British str., from Saigon.
5. Victoria, British str., from Tacoma.
5. Kwiyang, British str., from Tientsin.
6. Tilia, German str., from Saigon.
6. Kashing, British str., from Bery.
6. Gecara, British str., from Java.
6. Irene, German str., from Kobe.
6. Pallas, British str., from Kutchinotzu.
6. Chivon, British str., from Shanghai.
6. Darins, British str., from Java.
6. Lokang, British str., from Chinkiang.
6. Namoa, British str., from Coast Ports.

7. Arratoon Apcar, British str., from Calcutta.
7. Ask, Danish str., from Haiphong.
7. Changsha, British str., from Kobe.
7. Canton, British str., from Canton.
7. Chunshan, British str., from Bangkok.
7. Exe, British str., from Moji.
7. Pyrrhus, British str., from Liverpool.
7. Nanyang, German str., from Canton.
7. Zafiro, British str., from Manila.
7. Whampoa, British str., from Chinkiang.
8. Altmere, British str., from Shanghai.
8. Bental, British str., from Saigon.
8. Choyang, British str., from Shanghai.
8. Fr. jr., Danish str., from Haiphong.
8. Yunyang, British str., from Manila.
8. Cam, British str., from Kobe.
8. Holstein, German str., from Saigon.
8. Lutin, French str., from Haiphong.
9. Kwiyang, British str., from Canton.
9. Hoihow, British str., from Canton.
9. Ernest Simons, Fr. str., from Shanghai.
9. Nanking, Norw. str., from Mauritius.
9. Caledonia, French str., from Marseilles.
9. Hupoh, British str., from Swatow.
9. Proptis, British str., from Saigon.
9. Cassius, German str., from Newchwang.

July—

DEPARTURES

4. Bayern, German str., for Shanghai.
4. Benalder, British str., for Nagasaki.
4. Canton, British str., for Canton.
4. Hohenzollern, German str., for Yokohama.
4. Hoihow, British str., for Canton.
4. Hongkong, French str., for Hoihow.
4. Ingraban, German str., for Saigon.
4. Peking, British str., for Europe.
4. Taichiow, British str., for Bangkok.
4. Yarra, French str., for Shanghai.
5. Peivang, German str., for Canton.
5. Progress, German str., for Hoihow.
5. Moldava, British str., for Hongkong.
5. Ancona, British str., for Yokohama.
5. Bullmouth, British str., for Shanghai.
5. Cheangchow, British str., for Swatow.
5. Dayawongse, British str., for Bangkok.
5. Teyi, German str., for Chefoo.
5. Wingsang, British str., for Calcutta.
6. Maria Valeria, Austrian str., for Trieste.
6. Kweiyang, British str., for Canton.
6. Gloucester City, British str., for Manila.
6. Hanoi, French str., for Haiphong.
6. Hailong, British str., for Swatow.
6. Kwanglee, British str., for Shanghai.
6. Memun, British str., for Kudat.
6. Sabine Rickmers, German str., for Amoy.
7. Ethiopia, British str., for Kutchinotzu.
7. Hupoh, British str., for Swatow.
7. Kashing, British str., for Nagasaki.
7. Machow, British str., for Bangkok.
7. Pallas, British str., for Canton.
8. Canton, British str., for Swatow.
8. Choyang, British str., for Canton.
8. Lokang, British str., for Canton.
8. Siam, British str., for Swatow.
8. Whampoa, British str., for Canton.
9. Chiynan, British str., for Canton.
9. China, British str., for San Francisco.
9. Hoihow, British str., for Shanghai.
9. Pyrrhus, British str., for Amoy.
9. Zafiro, British str., for Manila.

F O O W.

ARRIVALS

22. Polynemus, British str., from Shanghai.
25. Glenfarg, British str., from Shanghai.
25. Evandale, British str., from Hongkong.
25. Agamemnon, British str., from Shanghai.
28. Fuhyl, German str., from Hongkong.
29. Namoa, British str., from Hongkong.

June—

DEPARTURES

22. Polynemus, British str., for London.
25. Fuhyl, German str., for Shanghai.
25. Evandale, British str., for Tientsin.
25. Peking, British str., for Bremen.
25. Java, British str., for London.
25. Benalder, British str., for London.
25. Hailan, British str., for Hongkong.
25. Glenfarg, British str., for London.
29. Evandale, British str., for Tacoma.

PASSENGER LIST.

ARRIVED.

- Per *Machow*, str., from Bangkok.—Mr. Tonn.
Per *Hailong* str., from Tamsui, &c.—Messrs. Nightingale, Theudan, Kentwell, and Von Varohen.
Per *Canton*, str., from Shanghai, &c.—Mr. C. S. Kennet.

Per *Yarra*, str., from Marseilles for Hongkong.—Mr. Lallemant Dumoutier and family. For Yokohama.—Mr. Dumoulin. For Shanghai.—Mrs. Kallogg Craven, Mr. and Mrs. Mongin, H.E. Wang Chi Chung and suite, Messrs. Claudel, Fries, Delisle, Mocker, and Nelet. For Hongkong from Colombo.—Mr. C. Sandemans. From Singapore.—Mr. R. F. Kromer. For Yokohama.—Prince E. B. Belogorsky. From Alexandria for Nagasaki.—Miss J. D. L. Jonbert.

Per *Victoria*, str., from Tacoma, &c.—Mr. R. G. Dowling.

Per *Kweiyang*, str., from Tientsin, &c.—Mr. and Mrs. Wilson and (2) Misses Wilson.

Per *Irene*, str., from Kobe.—Mr. Patton and Capt. Stehr.

Per *Pallas*, str., from Moji, &c.—Mr. and Mrs. Carmichael and child.

Per *Changsha*, str., from Kobe, &c.—Mr. Jas. Anderson.

Per *Arratoon Apcar*, str., from Calcutta, &c.—Mr. W. Smith, Rev. J. Gomparty.

Per *Zafiro*, str., from Manila.—Mrs. Delgada, Misses R. Barto and Lamadrid, Messrs. Kotes and Fookan.

Per *Namoa*, str., from Coast Ports.—Messrs. R. Hill and R. W. Roberts.

Per *Yunsang*, str., from Manila.—Mr. and Mrs. Gilchrist, Messrs. V. Sancho, J. Casimir, J. Roman, A. Vilaccol, V. Alois, Y. Sugira, W. Emmes, Padres E. Perman, G. Garcia, R. Vives, and J. Cootu.

DEPARTED.

Per *Activ*, str., for Pakhoi.—Mr. Moorehouse (Commissioner of Customs), Mrs. Moorehouse and 2 children.

Per *Empress of India*, str., for Shanghai.—Mr. and Mrs. Beattie and 2 children, Mr. and Mrs. Douglas Jones and 2 children, Miss Hartwell, Messrs. D. McNeill and J. Jackson. For Kobe.—Mr. and Mrs. Joy, Miss McIntosh, Messrs. Lindley, J. B. Conchrie, Hy. Hannah, For Yokohama.—Lord C. A. Conyngham, Messrs. W. R. Digby, F. J. dos Remedios, Miss Remedios, Mr. and Mrs. Thomas and child, Mrs. Spry, Mrs. Ede, Mrs. Mast, Misses Mast (2), Mr. Sim Kye Pang. For Vancouver.—Mr. and Mrs. C. Murphy. For Beaufort, S.C.—Mr. and Mrs. Chs James and 2 children, Miss James. For New York.—Mr. F. Dickson, Jr. For Chicago.—Rev. and Mrs. Fix. For London.—Dr. and Mrs. Horder, Mr. and Mrs. Neave, Messrs. M. B. Furse, P. P. Crossley, O. d'Oliveira, Lieut. T. de Carvalhaes. From Yokohama for London.—Hon. G. Mills, Capt. N. Baudechow, Messrs. A. E. Garnier, G. R. Clover, W. A. Hewett, Lomax. For Paris.—Lieut.-Col. and Mrs. de Mays Candau.

Per *Bayern*, str., for Shanghai from Bremen.—Mr. F. Grocking, Mrs. Abrenkiel. From Southampton.—Mr. H. Locksmith. From Colombo.—Messrs. L. Clamm and H. Platonoff. From Singapore.—Mr. F. Sebr b. From Hongkong.—Lady Li and son, Mr. B. Schmacker.

Per *Hohenzollern*, str., for Yokohama from Antwerp.—Mr. F. Kolberg. From Colombo.—Mrs. Kawassa and Kondo, Mr. H. Takahashi. From Singapore.—Mr. and Mrs. Adler. From Hongkong.—Mr. Carlos A. de Pereira. For Nagasaki from Colombo.—Mr. and Mrs. Seyagine. From Delhi.—Mr. Amadje.

Per *Esmeralda*, str., for Manila.—Messrs. W. Schwab, T. Angoles, J. M. Underwood, H. Ashton, John Geyer, J. B. MacEwan, Schomber, Miss Colorado.

Per *Yarra*, str., from Hongkong for Shanghai.—Mrs. C. de Souza Barradas, Mrs. A. de Souza, Messrs. E. de Souza, H. A. Pereira, Wong, Law and Kyo. For Kobe.—Mr. and Mrs. J. Lacoz, Mr. and Mrs. A. Villetta, Mr. and Mrs. M. Marti, Mrs. Maria Marti. For Nagasaki.—Mr. N. G. Cholmeley. For Yokohama.—Mr. W. Clarke. For Shanghai from Marseilles.—Mr. and Mrs. Mongin, Mrs. Kallogg Craven, H.E. Wang Fohi Tohung (Ambassador), Messrs. Claudel, Fries, Delisle, Mocker, and Nelet. For Nagasaki from Alexandria.—Misses J. and L. Jonbert. For Yokohama from Marseilles.—Mr. Dumontin. From Singapore.—Prince F. B. Belogorsky.

Per *Wingsang*, str., from Calcutta.—Mr. D. J. Wehta.

Per *Anoma* str., from Hongkong for Yokohama.—Mr. and Mrs. Strang, Mr. and Mrs. T. B. Tidy. For Nagasaki.—Mrs. O. Meeho Kobayashi and child, Mrs. Oskar.

Per *Megnon*, str., for Sandakan.—Mr. Karl Stelze.